50465-1
12/12/89

ARIZONA

LABOR MARKET INFORMATION NEWSLETTER

Vol. XIII No. 10
October 1989

Unemployment Rate

Seasonally Adjusted
August*

ARIZONA	- 5.9%
Maricopa County	- 4.9%
Pima County	- 5.2%
UNITED STATES	- 5.2%

Consumer Price Index

U.S. - August 1989
Base = 1982-84

Wage Earner/Clerical Worker	- 123.2
% Chg. Year Ago	- 4.7
All Urban	- 124.6
% Chg. Year Ago	- 4.7

Phoenix - 3rd Qtr 1989
Base = 1982-84

All Urban	- 127.0
% Chg. Year Ago	- 5.0

Tucson - 3rd Qtr 1989
Base = 1982-84

All Urban	- 124.3
% Chg. Year Ago	- 2.1

* Preliminary

Keeping Up With Average Pay

Arizona's Workers may be Losing Race, p. 2

Inside This Issue

State, Metro Areas Lag Pay Average 2
Widening Pay Gap Analyzed 7
State's Personal Income Growing at Reduce Pace 8
Program Launched to Aid Economic Development 9
The Arizona Labor Force in September 9
Arizona Labor Force Statistics 10
New Developments 18

Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency

State, Metro Areas Continue to Lag Pay Average

'88 Wage Growth in Arizona, Two Largest Counties Follows Decade-Long Pattern

Average annual pay in Arizona, as well as in the state's two largest metropolitan areas, failed to keep pace with national averages in 1988 -- a consistent trend during the 1980s -- according to preliminary data released by the Department of Labor's Bureau of Labor Statistics (BLS).

Pay for workers in the state rose 3.9 percent over-the-year, compared to an average increase of 4.9 percent for the 50 states and the District of Columbia (Table 1). Pay for workers in the metropolitan Phoenix and Tucson areas, meanwhile, rose 4.0 percent and 2.9 percent in 1988, respectively, compared to an average increase of 5.1 percent for 318 U.S. metropolitan areas[1] (Table 2).

... by 1988 the Phoenix area had dropped to 6.5 percent below the national average, while workers in the Tucson area fell precipitously, to 19.5 percent below the national average.

Arizona workers' pay averaged $20,383 last year, compared to $19,610 in 1987, placing the state 24th among other states and Washington D.C., down from 21st in 1987. The national average for pay in 1988 was $21,871, up from $20,383 in 1987.

In this decade the gap in average annual pay between Arizona and all states has steadily grown from -$565 in 1980 to -$1,488 in 1988 (Figure 2). Or to put it in simpler terms, Arizona workers' pay increased 48 percent (6 percent annually) during that period, compared to 52 percent (6.5 percent annually) for workers nationally.

ARIZONA LMI NEWSLETTER
SITE CODE 733A
P.O. BOX 6123
PHOENIX, AZ 85005-6123
(602) 542-3871

Brent Fine, Editor
Linda Van Calcar, Word Processor

Average annual pay for workers in metropolitan Phoenix last year was $21,438, up from $20,612 in 1987, while Tucson workers averaged $19,106 in 1988, compared to $18,566 the previous 12 months. The state's two metropolitan statistical areas (MSAs), however, continued in 1988 to lag the overall average for metropolitan areas, while they dropped several places in rankings from 1987.

And the gap in pay between the Tucson and Phoenix MSAs and the national average for metropolitan areas has steadily widened during the '80s, particularly the Tucson MSA (See "Goods-Producing Sector's Smaller Share of State's W&S Employment ...," page 7). In 1980, the Phoenix MSA was $637 behind the average for all metropolitan areas; by 1988, the gap had more than doubled, to $1,321. Tucson, meanwhile, trailed the national average for metropolitan areas by $1,321 in 1980; by last year, the difference had jumped to $3,727, an increase of 65 percent.

Another way to look at it is that workers in the Phoenix metro area were 5.2 percent behind the national average in 1980, while workers in the Tucson metro area were 9.9 percent

(Continued on page 5)

Table 1. Average Annual Pay by State, 1987-88 [1]

State	Average Annual Pay		Rank by Pay		Pct. Change
	1988[2]	1987	1988	1987	1987-1988[3]
OVERALL	$21871	$20857	—	—	4.9
Alabama	19003	18316	36	36	3.7
Alaska	28033	29006	2	2	.1
Arizona	20383	19610	24	21	3.9
Arkansas	17023	16529	47	48	2.3
California	24124	23100	8	6	4.4
Colorado	21472	20748	15	11	3.1
Connecticut	26244	24322	4	4	7.9
Delaware	21977	20764	11	12	5.8
Washington D.C.	30254	28477	1	1	6.2
Florida	19520	18674	29	32	4.5
Georgia	20501	19661	21	20	4.3
Hawaii	20414	19084	22	25	7.1
Idaho	17647	17062	45	45	3.4
Illinois	23608	22250	9	9	6.1
Indiana	20437	19692	23	19	3.8
Iowa	18040	17316	44	43	3.9
Kansas	19039	18424	35	35	3.3
Kentucky	18545	18006	40	38	3.0
Louisiana	19330	18707	31	21	3.3
Maine	18347	17447	41	42	5.2
Maryland	22500	21320	10	10	5.5
Massachusetts	24149	22484	7	8	7.4
Michigan	24193	23081	6	7	4.8
Minnesota	21481	20450	14	15	5.0
Mississippi	16522	15936	49	50	3.7
Missouri	20296	19601	25	22	3.5
Montana	6967	16436	48	48	3.2
Nebraska	17190	16526	46	47	4.0
Nevada	20659	19621	20	23	5.3
New Hampshire	20749	19414	19	24	6.9
New Jersey	25748	23842	5	5	8.0
New Mexico	18259	17767	42	40	2.8
New York	26347	24624	3	3	7.0
North Carolina	18962	17961	39	39	4.5
North Dakota	16508	16157	50	49	2.2
Ohio	21,500	20566	12	13	4.5
Oklahoma	19096	18615	33	33	2.6
Oregon	19637	18888	28	27	4.0
Pennsylvania	21485	20408	13	16	5.3
Rhode Island	20206	18858	26	28	7.1
South Carolina	18009	17280	43	44	4.2
South Dakota	15424	14963	51	51	3.1
Tennessee	19209	18501	32	34	3.8
Texas	21130	20463	16	14	3.3
Utah	18910	18303	37	37	3.3
Vermont	18640	17702	38	41	5.3
Virginia	21052	19963	17	18	5.5
Washington	20806	20110	18	17	3.5
West Virginia	19341	18820	30	29	2.8
Wisconsin	19743	18890	27	26	4.5
Wyoming	19097	18817	34	30	1.5

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Aug. 1989

1. Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.
2. Data are preliminary.
3. Percent changes were computed from unrounded average annual pay data and may differ from those computed using data rounded to the nearest dollar.

Table 2. Average Annual Pay by Metropolitan Area, 1987-88

Metro Area	Average Annual Pay		Rank by Pay		Pct. Change
	1988[3]	1987	1988	1987	1987-1988[4]
OVERALL	$22833	$21722	—	—	5.1
Albuquerque	19719	19162	166	149	2.9
Anchorage	28715	28486	4	1	-.9
Atlanta	23440	22426	39	33	4.5
Baltimore	22242	20976	55	66	6.0
Birmingham	20775	19917	109	110	4.3
Boise	20236	19371	136	139	4.5
Boston	25731	23886	16	19	7.7
Buffalo	20319	19324	129	142	5.1
Charleston, S.C.	17927	17167	246	251	4.4
Charleston, W.V.	20758	20352	111	95	2.0
Cheyenne	18371	18103	228	206	1.5
Chicago	25669	24057	17	17	6.8
Cincinnati	21976	21150	61	57	3.9
Cleveland	23051	21985	45	42	4.8
Dallas	24463	23624	22	21	3.6
Denver	23641	22895	32	26	3.3
Des Moines	20302	19389	130	138	4.7
Detroit	26602	25301	12	9	5.1
El Paso	16731	15747	296	298	3.6
Hartford	25787	24151	15	15	6.8
Honolulu	21196	19718	97	123	7.5
Houston	24410	23509	24	24	3.8
Indianapolis	21877	21081	65	58	3.8
Kansas City	21598	20846	75	70	3.6
Las Vegas	20368	19359	128	140	5.2
Los Angeles	26011	25006	14	11	4.0
Louisville	20046	19446	145	134	3.1
Memphis	20371	19709	127	124	3.4
Miami	21862	20968	66	64	4.2
Milwaukee	21800	20826	70	71	4.6
Minneapolis-St. Paul	23618	22385	33	35	5.5
New Orleans	20380	19786	125	119	3.0
New York City	30578	28179	1	2	8.5
Oklahoma City	19998	19534	147	131	2.4
Omaha	19174	18461	189	190	3.9
Peoria	22713	21205	49	54	7.1
Philadelphia	23886	22447	28	32	6.4
Phoenix	**21436**	**20612**	**84**	**80**	**4.0**
Pittsburgh	21945	21019	63	63	4.4
Portland, Ore.	21,444	20584	82	85	4.2
Providence	20069	18696	143	179	7.4
Raleigh-Durham	21210	20366	96	94	4.1
Reno	20429	19563	122	130	4.4
Sacramento	21937	21047	64	61	4.2
Salt Lake City, Ogden	19498	18856	174	170	3.4
San Diego	22183	21051	57	60	5.4
San Francisco	27859	26594	5	5	4.8
Seattle	23436	22548	40	31	4.0
St. Louis	22736	21793	48	46	4.3
Tampa-St. Petersburg	18713	17911	210	215	4.5
Tucson	**19106**	**18566**	**194**	**188**	**2.9**
Wichita	21547	20897	79	68	3.1

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Sept. 1989

1. Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.
2. Includes data for Metropolitan Statistical Areas and Primary Metropolitan Statistical Areas as of June 30, 1988.
3. Data are preliminary.
4. Percent changes were computed from unrounded average annual pay data and may differ from those computed using data rounded to the nearest dollar.

(Continued from page 2)

under the national rate. But by 1988 the Phoenix area had dropped to 6.5 percent below the national average, while workers in the Tucson area fell precipitously, to 19.5 percent below the national average.

Table 3. Private Industry and Government Average Annual Pay, Arizona vs. United States, 1987-88

	Average Annual Pay 1988	1987	Pct. Change 1987-88
ARIZONA			
Private[4]			
Mining	$35890	$29297	22.5
Construction	21175	20445	3.6
Manufacturing	27441	26109	5.1
Transportation, Communications, and Public Utilities	26288	25335	3.8
Wholesale Trade	24642	23619	4.3
Retail Trade	12058	11741	2.7
Finance, Insurance and Real Estate	24249	23660	2.5
Services	18516	17526	5.6
Overall	19859	19049	4.2
Government:			
Overall	23022	22481	2.4
UNITED STATES			
Private[4]			
Mining	$34341	32950	4.2
Construction	24432	23129	5.6
Manufacturing	26915	25670	4.9
Transportation, Communications and Public Utilities	28201	27404	2.9
Wholesale Trade	27848	26033	7.0
Retail Trade	11965	11518	3.9
Finance, Insurance and Real Estate	27881	25691	8.5
Services	19984	18915	5.7
Overall	21849	20821	5.0
Government:			
Overall	23021	22063	4.3

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Aug. 1989

1. Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.
2. Data are preliminary.
3. Percent changes were computed from unrounded average annual pay data and may differ from those computed using data rounded to the nearest dollar.
4. Includes data for industries in addition to those shown separately.

As might be expected, based on 1988 state and metropolitan area figures, Arizona's industrial sectors did not fare well in comparison to the national averages for percentage increases in annual pay last year. With the exception of mining and manufacturing, all sectors in the state were below the national rates, and in most cases, significantly lower (Table 3). The overall gain in average annual pay in the state's industrial sectors was 4.2 percent, compared to 5.0 percent for all states and Washington D.C.

Arizona's one bright spot, however, was the mining sector, which rose a substantial 22.5 percent, second highest of any industry sector in all the states and Washington D.C. Pay in Arizona's mining industry was only surpassed in percentage increase by the mining sector in Maine, which jumped 29.4 percent.

The over-the-year jump in mining pay -- from $29,297 to $35,890 -- was due primarily to bonuses paid by several large mining companies, which were triggered by an increase in copper prices and production quotas. The price-linked bonus clauses were negotiated by unions in 1986 when union members agreed to 15 to 20 percent concessions in wages and benefits in order to protect their jobs and communities.

Looking at the nation as a whole, as in 1987, workers in the District of Columbia led all states with average annual pay of $30,254, followed by Alaska -- on top from the early 1970s through 1986 -- with $28,033. South Dakota had the lowest average annual pay at $15,424, followed by North Dakota at $16,508.

(Continued on page 6)

(Continued from page 5)

New Jersey, meanwhile, led the nation in percentage increase with a gain of 8.0 percent. Alaska posted the smallest increase at 0.1 percent.

As far as metropolitan areas, New York City led the nation with average annual pay of $30,578, while McAllen-Edinburg-Mission, Texas, recorded the lowest average in 1988 at $13,449.

Bergen-Passaic, N.J, led all metropolitan areas in percentage growth from 1987 to 1988 with a jump of 9.9 percent. Odessa, Texas, had the largest decrease at 4.7 percent.

BLS data on average annual pay are compiled from federal and state Unemployment Insurance (UI) payroll reports on workers in 104 million jobs, 91 percent of the total civilian work force. Included in the pay totals are bonuses, cash value of meals and lodging, tips and other gratuities, and employer contributions to certain deferred compensation plans.

Major exclusions from these data include: most agricultural workers on small farms; all members of the military; most elected officials, railroad employees, domestic workers, and student workers at schools; employees of certain small nonprofit organizations; self-employed individuals; and all unpaid members of a family business.

Average annual pay is determined by dividing total annual pay of full- and part-time employees by the average monthly number of employees. Caution is advised when using these data, however, as certain factors can skew pay averages. Among these are ratio of full-time to part-time workers and number of individuals in high-paying and low-paying occupations.

–Brent Fine
Arizona LMI Newsletter Editor

1. Metropolitan areas are defined as either metropolitan statistical areas a(MSAs) or primary metropolitan statistical areas (PMSAs). An MSA is a city that has at least 50,000 in population within its corporate limits, or contains a U.S. Bureau of the Census-defined "urbanized area" of at least 50,000 in population and has a total population of at least 100,000. A PMSA is an area of 100,000 in population -- within an MSA of at least 1 million population -- which has at least 60 percent of the population urban and with less than 50 percent of the resident

---

(Continued from page 7)

Phoenix MSA was more pronounced than nationally during the '80s, it probably accounts for the Phoenix MSA's inability to keep pace with increases in average annual pay for metropolitan areas; albeit, a less severe problem than the Tucson MSA experienced.

The state as a whole, meanwhile, nearly mirrored the Phoenix MSA during the '80s -- in terms of a higher proportion of service-producing jobs than the national average and the increase in the proportion of service-producing employment (75.1 percent in 1980 to 79.0 percent in 1988, a 5.2 percent rise). And as might be expected, average annual pay in Arizona showed a similar pattern of slow, but steady divergence from the national average.

Finally, inflation -- as measured by the Consumer Price Index (CPI) -- did not play a role in Arizona's two MSAs failing to keep up with pay on a national level.

Between 1980 and 1988, the All-Urban CPI, which covers all major U.S. metropolitan areas, rose 43.6 percent (5.45 percent annually).[2] For the same period, CPI for the Phoenix metropolitan area rose 43.8 percent (5.5 percent annually)[3]. And from 1984 to 1988 -- when the largest part of the pay gap between the national MSA average and the Tucson MSA was recorded -- the U.S. CPI rose 13.9 percent (2.8 percent annually), while CPI for the Tucson metropolitan area increased 15.5 percent (3.1 percent annually).[4] (Since there is no state CPI, a comparison to the U.S. inflation rate cannot be made.)

–Brent Fine
Arizona LMI Newsletter Editor

1. Arizona Department of Economic Security, Research Administration.
2. U.S. Department of Labor, Bureau of Labor Statistics.
3. Center for Business and Economic Research, College of Business Administration, Arizona State University.
4. Division of Economic and Business Research, University of Arizona.

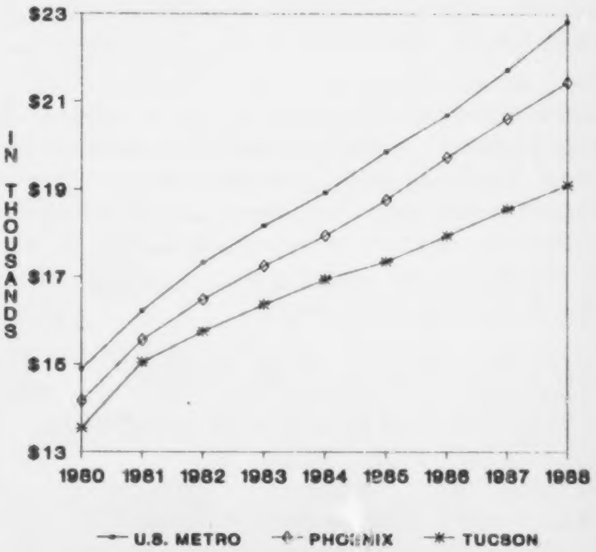
Goods-Producing Sector's Smaller Share of State's W&S Employment Main Cause of Widening Pay Gap

The goods-producing industries' shrinking percentage of wage and salary employment in Arizona appears to be the major reason for the widening gap in average annual pay between the Phoenix and Tucson metropolitan statistical areas (MSAs) -- as well as the state as a whole -- and national averages during the 1980s. Inflation, however, was not a factor in this decade-long trend.

In Pima County, a dramatic decrease in mining employment during the '80s, along with significant cuts in recent years by large manufacturers appears to have played a major role in slower wage growth. Employment in mining, which has the highest wages of any industry in the state, shrunk from 6,700 in 1980 to 1,800 (72 percent) in 1988[1]. Add to that the loss of more than 2,000 jobs from Hughes Aircraft , International Business Machines and other manufacturers in the past two years, and together they probably account for a major portion of the slow pay growth in the Tucson MSA compared to the national average.

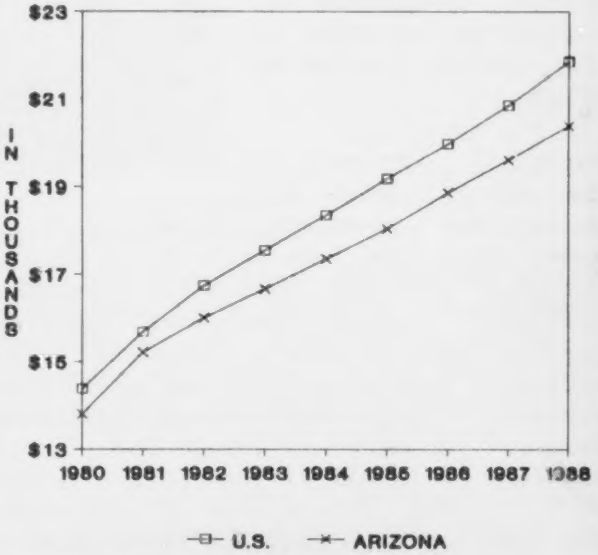
Another factor influencing slow wage growth in the Tucson MSA was the larger role of the service-producing sector -- partially brought on by the decrease in mining and manufacturing employment -- which pays lower wages than the goods-producing sector.

In 1980, the service-producing sector (transportation, communication and public utilities; trade; finance, insurance and real estate; services; and government) made up 67.2 percent of wage and salary employment in the Tucson MSA, compared to 32.8 percent for the goods-producing sector (manufacturing, mining, and construction). By last year, however, the service-producing sector had grown to 76.2 percent (13.4 percent increase) of the Tucson MSA, while the goods-producing sector dropped to 23.8 percent. At the same time, the service-producing sector nationally was increasing one-half as fast -- from 71.6 percent in 1980 to 76.1 percent in 1988 (6.3 percent increase) -- while the goods-producing sector declined from 28.4 percent to 23.9 percent.



Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Sept. 1989

Figure 1. Average Annual Pay, U.S. Metro vs. Phoenix and Tucson MSAs, 1980-88



Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Aug. 1989

Figure 2. Average Annual Pay, United States vs. Arizona, 1980-88

During the same period, increases in the proportion of service-producing jobs were less dramatic in the Phoenix MSA -- 74.1 percent (1980) to 78.2 percent (1988), a 5.5 percent rise. Nevertheless, since service-producing wage and salary employment in the

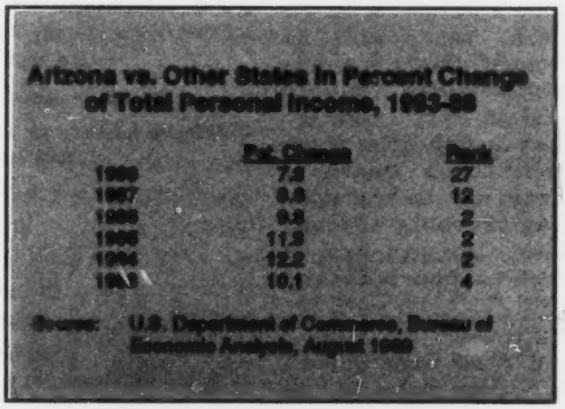
(Continued on page 6)

State's Personal Income Growing at Reduced Pace

Smaller employment increases, low inflation partly responsible for fall in '87, '88 rankings

The most widely used indicators to measure the health of an economy are job growth, unemployment rates, inflation rates, and growth rates in personal and per capita income. This article will use personal income statistics to measure the strength of the Arizona economy

Personal income (PI) in Arizona rose from $48.7 billion in 1987 to $52.2 billion in 1988, according to recently released statistics by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA). However, on a percentage basis, the over-the-year increase was modest compared to the lofty heights of the past several years.



Arizona vs. Other States in Percent Change of Total Personal Income, 1983-88

	Pct. Change	Rank
1988	7.3	27
1987	8.8	12
1986	9.8	2
1985	11.3	2
1984	12.2	2
1983	10.1	4

Source: U.S. Department of Commerce, Bureau of Economic Analysis, August 1989

Personal income is the sum of wage and salary disbursements, other labor income, farm and non-farm proprietors' income, rental income, personal dividend income, personal interest income, and transfer payments less personal contributions for social insurance. Wage and salary disbursements, however, comprise about two-thirds of total personal income.

The rise of $3.5 billion in Arizona PI from 1987 to 1988 translated into a 7.3 percent growth rate, compared to the US average of 7.6 percent. This made Arizona slide in rankings of other states' growth rates from 12th in 1987 to 27th in 1988. Arizona's PI growth rate in 1988 was, however, the highest among other southwestern states (New Mexico, Oklahoma, and Texas).

In each of the last five years before 1988, Arizona's PI growth rate exceeded that of the US average by a significant margin. The last time the state's PI grew at a lower annual rate than the nation was in 1982, when it increased 5.0 percent, while the US PI grew 5.9 percent (Tables 1 and 2, and Figure 1). Indeed, Arizona ranked second in the nation in terms of PI growth for three straight years from 1984 to 1986.

Part of the slower PI growth in Arizona is attributable to the state's weaker employment growth and modest inflation which, in turn, moderates wage and salary employment gains.

Arizona enjoyed record growth in wage and salary employment following the recession of 1981-82, which was reflected in PI growth. Wage and salary employment grew 9.7 percent in 1984, followed by 8.2 percent in 1985, while PI grew 12.4 percent and 11.3 percent, respectively. But employment growth rates fell considerably in 1987 and 1988 -- to 3.6 and 1.8 percent, respectively -- accompanied by slower growth in PI (Figure 2).

Nonfarm wage and salary disbursement accounted for about 70 percent of total PI growth in 1988 Dividends, interest and rent (DIR) contributed 14.7 percent to PI in 1988 compared to 18.1 percent in 1983.

The fall in DIR's share of PI in the past few years can be attributed to an overall drop in interest rates.

(Continued on page 15)

NOICC Launches Program to Provide Data for Economic Development

In light of Arizona's recent drive to attract industry, a project to develop a microcomputer-based data system that will provide information for economic development and business and industry planning may be what the economic doctor ordered.

Being developed by the National Occupational Information Coordinating Committee (NOICC), the Economic Development and Employer Planning System (EDEP) "could make a wide variety of relevant information readily obtainable from a central source," says NOICC Executive Director Juliette N. Lester.

EDEP will be based on Occupational Information Systems (OIS), computerized databases designed by NOICC that contain mechanisms for combining multiple-source data. State OIS databases (e.g., Arizona's MICRO OIS) already provide a variety of information, including current and projected occupational employment, wage data, and the amount and type of training available.

Two modules recently developed for state OIS databases -- Training Inventory Directory and the Occupation/Industry Directory -- will likely be part of EDEP.

The Training Inventory Directory has information on education and training institutions and their program offerings, which could help employers that are either retraining workers or are relocating and would need to hire trained, skilled workers. The Occuapation/Industry Directory helps identify industries in which selected occupations occur and, where data are available, the names of companies in those industries. This would be useful for economic development because it identifies supplier industries and companies that sell to other businesses rather than directly to consumers, and locates potential markets for products.

The project's first phase will involve a thorough study that looks at the practicality, uses and potential users, content and design, and implementation of EDEP.

More information is available on EDEP by writing to: Rod Slack, EDEP Project Office, NOICC, 2100 M Street NW, Suite 156, Washington, DC 20037; or calling (202) 653-7680.

The Arizona Labor Force in September

While the national unemployment rate held steady at 5.2 percent, Arizona's seasonally adjusted unemployment rate for August rose three tenths of one percent to 5.9 percent.

The unemployment rate increase in Arizona was a result of two factors: a decrease of 5,400 workers in the labor force and an increase of 4,900 among the ranks of the unemployed. This translates into a decrease of total employment by 10,300 and represents the largest August decline of the current expansionary phase that began in late 1982. Although this decrease appears both substantial and alarming, total employment during the previous 12 months posted a gain of more than 65,000 jobs.

Nonfarm wage and salary employment increased by 7,100 in August, outpacing the post-recession seasonal average by 2,400. The bulk of the employment gain came from instructors and other personnel returning for the fall school schedule.

The goods-producing industries gained 1,100 jobs in August. Although positive, most of the gains were in construction (800) -- of which half were in the nonmetropolitan counties -- and are expected to be lost in the months ahead. This marks the fourth consecutive month of construction gains; however, they do not offset the 3.6 percent decline experienced over the past year due to depressed occupancy rates, greater numbers of foreclosures, and a slight increase in long-term mortgage rates.

Manufacturing employment in Arizona had a less-than-seasonal gain of 200 in August. Of note, the machinery sector lost 1,300 jobs but was offset by gains in the catchall sectors of

(Continued on page 14)

Arizona Labor Force and Employment

August 1989 (in thousands)

	ARIZONA				
				Amount Change	
	Aug.* 1989	July 1989	Aug. 1988	July-Aug.	1988-1989
TOTAL CIVILIAN LABOR FORCE**	1716.9	1722.3	1659.3	-5.4	+57.6
Total Unemployment	110.5	105.6	118.4	+4.9	-7.9
Rate	6.4	6.1	7.1	----	----
Rate (Sea. Adj.)***	5.9	5.6	6.4	----	----
Total Employment	1606.4	1616.7	1540.9	-10.3	+65.5

The Above Labor Force Statistics Should N

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

	Aug.* 1989	July 1989	Aug. 1988	July-Aug.	1988-1989
TOTAL WAGE AND SALARY	1401.2	1394.1	1381.5	+7.1	+19.7
Manufacturing	189.7	189.5	190.6	+0.2	-0.9
Durable Goods	144.3	144.7	147.1	-0.4	-2.8
Stone, Clay, and Glass	7.5	7.6	7.6	-0.1	-0.1
Primary and Fabricated Metals	15.9	15.7	15.6	+0.2	+0.3
Primary Metals	7.4	7.4	7.4	+0.0	+0.0
Fabricated Metals	8.5	8.3	8.2	+0.2	+0.3
Machinery	62.6	63.9	66.6	-1.3	-4.0
Other Durable Goods	58.3	57.5	57.3	+0.8	+1.0
Aircraft and Missiles	26.1	26.0	26.3	+0.1	-0.2
Lumber and Wood Product (Excluding Furniture)	8.7	8.6	8.4	+0.1	+0.3
All Other Durable Goods	23.5	22.9	22.6	+0.6	+0.9
Nondurable Goods	45.4	44.8	43.5	+0.6	+1.9
Food and Kindred Products	10.0	9.9	9.3	+0.1	+0.7
Apparel	4.5	4.5	4.5	+0.0	+0.0
Printing and Publishing	17.0	16.9	16.7	+0.1	+0.3
All Other Nondurable Goods	13.9	13.5	13.0	+0.4	+0.9
Mining and Quarrying	12.2	12.1	12.3	+0.1	-0.1
Copper Mining	9.2	9.1	9.1	+0.1	+0.1
Other Mining and Quarrying	3.0	3.0	3.2	+0.0	-0.2
Construction	92.3	91.5	95.7	+0.8	-3.4
Trans., Communications, & Public Utilities	73.4	73.7	72.0	-0.3	+1.4
Transportation	38.4	38.1	36.2	+0.3	+2.2
Communications and Public Utilities	35.0	35.6	35.8	-0.6	-0.8
Trade	356.1	356.1	341.9	+0.0	+14.2
Wholesale Trade	68.6	68.9	66.5	-0.3	+2.1
Retail Trade	287.5	287.2	275.4	+0.3	+12.1
General Merchandise and Apparel	44.8	44.5	41.8	+0.3	+3.0
Food Stores	47.9	48.3	45.7	-0.4	+2.2
Automotive and Service Stations	36.2	36.1	34.2	+0.1	+2.0
Eating and Drinking Places	99.1	99.5	96.5	-0.4	+2.6
Other Retail Trade	59.5	58.8	57.2	+0.7	+2.3
Finance, Insurance, and Real Estate	92.3	92.2	92.8	+0.1	-0.5
Services and Miscellaneous	365.4	366.4	358.7	-1.0	+6.7
Hotels and Other Lodging Places	40.6	41.2	38.6	-0.6	+2.0
Business Services	76.9	76.9	78.0	+0.0	-1.1
Health Services	92.8	92.9	91.2	-0.1	+1.6
Other Services	155.1	155.4	150.9	-0.3	+4.2
Government	219.8	212.6	217.5	+7.2	+2.3
Federal	42.8	42.3	43.8	+0.5	-1.0
State and Local	177.0	170.3	173.7	+6.7	+3.3
School	82.6	75.1	84.2	+7.5	-1.6

* Preliminary

** Labor force, unemployment, and employment are reported by place of residence.

*** Normal seasonal variations have been eliminated to reflect underlying economic trends.

Arizona Labor Force and Employment

August 1989 (in thousands)

MARICOPA COUNTY					PIMA COUNTY				
			Amount Change					Amount Change	
Aug.* 1989	July 1989	Aug. 1988	July- Aug.	1988- 1989	Aug.* 1989	July 1989	Aug. 1988	July- Aug.	1988- 1989
1066.0	1074.5	1033.4	-8.5	+32.6	324.9	322.3	311.1	+2.6	+13.8
54.2	51.7	57.2	+2.5	-3.0	17.1	15.8	17.2	+1.3	-0.1
5.1	4.8	5.5	---	---	5.3	4.9	5.5	---	---
4.9	4.7	5.4	---	---	5.2	4.8	5.4	---	---
1011.8	1022.8	976.2	-11.0	+35.6	307.8	306.5	293.9	+1.3	+13.9

t Be Used for Economic Assistance Programs

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

923.9	922.9	915.3	+1.0	+8.6	244.3	240.6	239.5	+3.7	+4.8
139.5	139.1	138.7	+0.4	+0.8	28.0	28.4	30.4	-0.4	-2.4
107.8	107.8	108.2	+0.0	-0.4	22.1	22.5	24.6	-0.4	-2.5
4.7	4.7	5.1	+0.0	-0.4					
10.6	10.4	10.4	+0.2	+0.2					
51.8	52.4	52.9	-0.6	-1.1					
40.7	40.3	39.8	+0.4	+0.9					
31.7	31.3	30.5	+0.4	+1.2	5.9	5.9	5.8	+0.0	+0.1
6.3	6.3	6.0	+0.0	+0.3					
3.5	3.5	3.4	+0.0	+0.1					
12.0	11.9	11.8	+0.1	+0.2					
9.9	9.6	9.3	+0.3	+0.6					
0.9	0.8	0.7	+0.1	+0.2	2.1	2.1	1.8	+0.0	+0.3
61.8	61.6	65.9	+0.2	-4.1	16.7	16.5	17.1	+0.2	-0.4
51.2	51.2	50.0	+0.0	+1.2	9.6	9.9	9.0	-0.3	+0.6
28.1	27.8	26.5	+0.3	+1.6	4.9	4.9	4.6	+0.0	+0.3
23.1	23.4	23.5	-0.3	-0.4	4.7	5.0	4.4	-0.3	+0.3
239.3	239.7	232.0	-0.4	+7.3	58.7	58.1	56.3	+0.6	+2.4
55.6	55.9	53.8	-0.3	+1.8	7.2	7.2	7.0	+0.0	+0.2
183.7	183.8	178.2	-0.1	+5.5	51.5	50.9	49.3	+0.6	+2.2
27.7	27.5	27.0	+0.2	+0.7	7.7	7.6	7.2	+0.1	+0.5
31.0	31.3	29.3	-0.3	+1.7	8.1	8.0	8.0	+0.1	+0.1
23.2	23.1	21.5	+0.1	+1.7	5.5	5.6	5.7	-0.1	-0.2
62.5	62.8	61.8	-0.3	+0.7	18.3	18.3	17.7	+0.0	+0.6
39.3	39.1	38.6	+0.2	+0.7	11.9	11.4	10.7	+0.5	+1.2
73.6	73.5	74.0	+0.1	-0.4	11.7	11.7	12.2	+0.0	-0.5
243.0	244.5	242.0	-1.5	+1.0	69.3	68.8	66.3	+0.5	+3.0
23.2	23.5	22.0	-0.3	+1.2	6.2	6.3	6.0	-0.1	+0.2
59.8	60.3	61.4	-0.5	-1.6	11.7	11.3	11.5	+0.4	+0.2
59.9	60.2	59.8	-0.3	+0.1	20.2	20.1	19.4	+0.1	+0.8
100.1	100.5	98.8	-0.4	+1.3	31.2	31.1	29.4	+0.1	+1.8
114.6	112.5	112.0	+2.1	+2.6	48.2	45.1	46.4	+3.1	+1.8

NOTE: Prepared by the Arizona Department of Economic Security, Research Administration, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Nonmetropolitan Counties
Labor Force and Employment
August 1989

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
CIVILIAN LABOR FORCE*	14,025	35,550	44,525	12,800	9,075	3,025	5,725
Total Unemployment	2,750	2,400	3,425	1,250	775	225	475
Rate	19.6%	6.8%	7.7%	9.8%	8.5%	7.4%	8.3%
Rate (Seas. Adj.)**	19.0%	7.2%	7.3%	10.1%	8.0%	7.4%	7.2%
Total Employment	11,275	33,150	41,100	11,550	8,300	2,800	5,250

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
TOTAL WAGE AND SALARY	13,875	24,350	39,125	10,500	5,450	2,875	3,600
Manufacturing	950	1,600	3,175	1,350	200	50	350
Mining & Quarrying	50	125	150	1,300	0	1,575	75
Construction	950	875	2,000	575	225	175	225
T.C.P.U.	1,700	1,550	2,225	375	175	50	75
Trade	1,675	5,700	10,000	2,225	1,500	225	1,200
F.I.R.E.	400	675	950	275	100	25	100
Services & Misc.	4,425	4,875	11,200	2,200	900	150	900
Government	3,725	8,950	9,425	2,200	2,350	625	675

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	34,100	27,025	39,025	11,525	39,650	49,850
Total Unemployment	1,675	3,425	3,300	2,250	2,250	14,925
Rate	4.9%	12.7%	8.5%	19.5%	5.7%	29.9%
Rate (Seas. Adj.)**	5.0%	11.9%	7.8%	13.4%	6.1%	19.1%
Total Employment	32,425	23,600	35,725	9,275	37,400	34,925

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
TOTAL WAGE AND SALARY	22,800	20,250	29,175	9,375	25,700	25,950
Manufacturing	2,600	2,075	4,150	1,250	2,375	2,100
Mining & Quarrying	150	1,175	3,675	0	825	50
Construction	1,950	1,225	1,375	400	2,350	1,425
T.C.P.U.	1,225	1,825	900	525	1,000	1,025
Trade	7,275	4,475	5,275	3,675	7,325	7,525
F.I.R.E.	1,050	375	800	275	1,000	975
Services & Misc.	5,400	5,300	4,000	1,575	6,225	5,950
Government	3,150	3,800	9,000	1,675	4,600	6,900

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities
F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of

Estimated Hours and Earnings of Production Workers in Selected Industries
Arizona

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Aug.* 1989	July 1989	Aug. 1988	Aug.* 1989	July 1989	Aug. 1988	Aug.* 1989	July 1989	Aug. 1988
Manufacturing	403.97	409.44	406.14	40.6	40.7	40.9	9.95	10.06	9.93
Aircraft & Missiles	611.83	616.03	INA	44.4	44.9	INA	13.78	13.72	INA
Food & Kindred Prod.	353.08	355.92	334.80	41.2	40.4	40.0	8.57	8.81	8.37
Primary Metals	512.86	516.00	492.54	37.6	37.5	38.6	13.64	13.76	12.76
Machinery	399.33	387.65	415.95	40.5	39.8	40.9	9.86	9.74	10.17
Copper Mining	553.01	564.89	507.98	44.1	45.3	40.9	12.54	12.47	12.42
Construction	431.73	434.38	426.82	36.9	37.0	36.7	11.70	11.74	11.63
Utilities	707.85	703.63	650.25	45.0	42.8	42.5	15.73	16.44	15.30
Retail Trade**	256.12	256.96	248.16	33.7	33.9	33.4	7.60	7.58	7.43
Wholesale Trade	371.33	387.48	398.34	38.6	39.1	40.4	9.62	9.91	9.86

Estimated Hours and Earnings of Production Workers in Selected Industries
Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Aug.* 1989	July 1989	Aug. 1988	Aug.* 1989	July 1989	Aug. 1988	Aug.* 1989	July 1989	Aug. 1988
Manufacturing	426.59	431.90	433.88	40.9	40.9	41.8	10.43	10.56	10.38
Construction	453.15	450.38	445.38	37.7	37.5	36.9	12.02	12.01	12.07
Retail Trade**	269.47	270.75	273.14	33.6	34.1	34.1	8.02	7.94	8.01
Wholesale Trade	389.00	404.88	425.80	38.9	39.5	41.1	10.00	10.25	10.36

Estimated Hours and Earnings of Production Workers in Selected Industries
Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Aug.* 1989	July 1989	Aug. 1988	Aug.* 1989	July 1989	Aug. 1988	Aug.* 1989	July 1989	Aug. 1988
Manufacturing	365.72	365.57	378.74	38.7	38.4	39.7	9.45	9.52	9.54
Copper Mining	612.37	636.00	598.88	43.4	44.6	42.9	14.11	14.26	13.96
Construction	385.02	389.92	381.55	37.2	37.1	36.9	10.35	10.51	10.34
Utilities	602.57	584.66	597.82	41.7	40.1	42.1	14.45	14.58	14.20

* Preliminary.

** Excudes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs

August 1989

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,716,817	1,606,351	110,466	6.4
Apache	14,034	11,283	2,751	19.6
Cochise	35,542	33,145	2,397	6.7
Coconino	44,524	41,104	3,420	7.7
Gila	12,812	11,550	1,262	9.9
Graham	9,067	8,304	763	8.4
Greenlee	3,040	2,812	228	7.5
La Paz	5,717	5,238	479	8.4
Maricopa	1,066,034	1,011,816	54,218	5.1
Mohave	34,088	32,425	1,663	4.9
Navajo	27,012	23,592	3,420	12.7
Pima	324,896	307,777	17,119	5.3
Pinal	39,025	35,713	3,312	8.5
Santa Cruz	11,529	9,268	2,261	19.6
Yavapai	39,629	37,388	2,241	5.7
Yuma	49,867	34,937	14,930	29.9

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

The Arizona Labor Force in August

(Continued from page 9)

"other durable goods" and "other non-durable goods."

Employment in the service-producing industries expanded by 6,000 jobs in August, primarily due to the gain of 7,200 jobs in government when academic and related personnel returned to work.

Services, which typically is down in August, shrank by 1,000 jobs. The decline, however, is 600 greater than normal. Hotels and motels, "other services," and health services all lost employment.

Employment in trade held steady in August, right on target with its post-recession average. Wholesale trade employment decreased by 300 jobs while retail trade employment posted a 300 increase for no net gain over-the-month.

TCPU employment declined by 300 jobs in August, which represents a less-than-average post-recession loss. The transportation sector gained 300 jobs but was offset by a loss of 600 jobs in the communications and public utilities sectors.

Overall, the month of August was uneventful. In addition, slow growth of 1.4 percent is expected to continue in the near term in line with our earlier forecasts.

—Marc Marra
RA Economist

Table 1. Arizona vs. U.S. Personal and Per Capita Income, 1980-88

	Arizona Personal Income (PI) (In Millions of Dollars)	Growth Rate	Arizona Per Capita PI (Dollars)	Growth (Rate)	Arizona Population (In Thousands)	Growth Rate	Pct. Change of Consumer Price Index[1]
1988	52,233	7.3%	14,970	4.5%	3,489	2.6%	4.2%
1987	48,699	8.8	14,322	4.9	3,400	3.7	3.6
1986	44,766	9.3	13,649	5.3	3,280	3.8	1.9
1985	40,963	11.3	12,956	7.3	3,161	3.7	3.6
1984	36,800	12.4	12,073	9.1	3,048	3.0	4.3
1983	32,750	10.1	11,060	7.3	2,960	2.6	3.2
1982	29,755	5.0	10,314	2.1	2,885	2.7	6.2
1981	28,330	12.9	10,098	10.1	2,809	2.7	10.3
1980	25,091	14.3	9,172	10.2	2,738	3.7	13.5

	U.S. Personal Income (PI) (In Millions of Dollars)	Growth Rate	U.S. Per Capita PI (Dollars)	Growth (Rate)	U.S. Population (In Thousands)	Growth Rate	Pct. Change of Consumer Price Index[1]
1988	4,062,992	7.8%	16,489	6.6%	245,807	1.0%	4.2%
1987	3,766,075	7.0	15,472	6.0	243,419	1.0	3.6
1986	3,519,211	6.1	14,596	5.0	241,107	1.0	1.9
1985	3,317,545	7.0	13,899	6.0	238,736	1.0	3.6
1984	3,101,198	9.4	13,114	8.4	236,477	0.9	4.3
1983	2,834,085	6.4	12,098	5.4	234,284	1.0	3.2
1982	2,663,432	5.9	11,480	4.8	231,996	1.0	6.2
1981	2,514,231	11.5	10,949	10.4	229,637	1.0	10.3
1980	2,254,076	11.1	9,919	9.8	227,255	1.2	13.5

[1] U.S. Consumer Price Index (CPI); CPI data for the state of Arizona is not available.

Sources: U.S. Dept. of Commerce, Bureau of Economic Analysis, August 1989; U.S. Dept. of Labor, Bureau of Labor Statistics, August 1989

Arizona Personal Income Growing Much Slower

(Continued from page 8)

Transfer payments represented 14.7 percent of PI in 1988 compared to 14.6 percent in 1987.

How is the well-being of an area determined given 1988 PI numbers? One way is to compare the per capita PI of an area or of a state with other areas or states.

Per capita PI is determined by dividing the total PI by the number of people residing in an area. In computing per capita PI the BEA uses the Bureau of the Census' county population totals as of July 1 of a given year.

Growth in per capita PI followed a trend similar to the growth in total PI. Per capita PI peaked in 1984 when its growth rate was 9.1 percent, but since then the growth rate has been falling. (Table 1)

In 1988, per capita PI was $14,970, compared to $14,322 in 1987, a growth rate of 4.5 percent. However, 1987 and '88, prices, in general, rose. So to find how much of this increase can

(Continued on page 16)

(Continued from page 15)

be considered a real increase, the 1988 per capita PI needs to be adjusted for cost of living, as measured by the US Consumer Price Index (CPI).

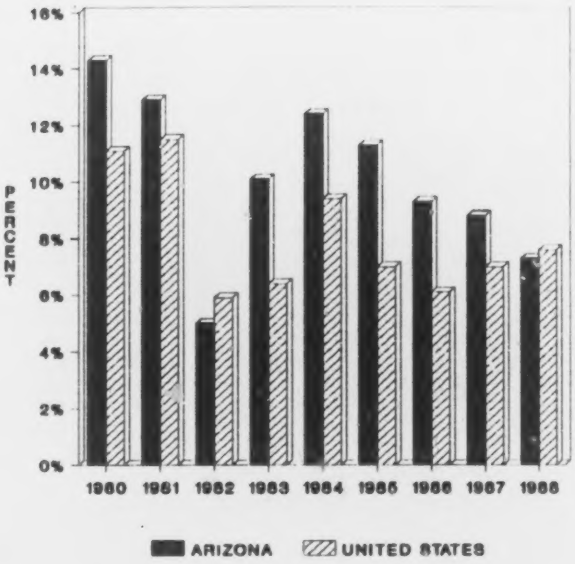
After adjusting for the US CPI, real growth in per capita PI was only 0.3 percent. Real per capita PI grew 4.8 percent in 1984 and since then the growth rate has been falling.

Statistics for counties and metropolitan areas for 1987 were also recently released by BEA, but data for 1988 will not be available until next year. Table 2 records per capita PI by county and its percent of the national average.

Average per capita PI in Maricopa County (Phoenix Metropolitan Statistical Area (MSA)) increased from $15,424 in 1986 to $16,077 in 1987, a rise of 4.2 percent. Average income in the Phoenix MSA in 1987 was 104 percent of the national average. Average income in Pima County (Tucson MSA) increased from $13,212 in 1986 to $13,845 in 1987, a jump of 4.8 percent. The Tucson MSA's average income in 1987 was 89 percent of the national average.

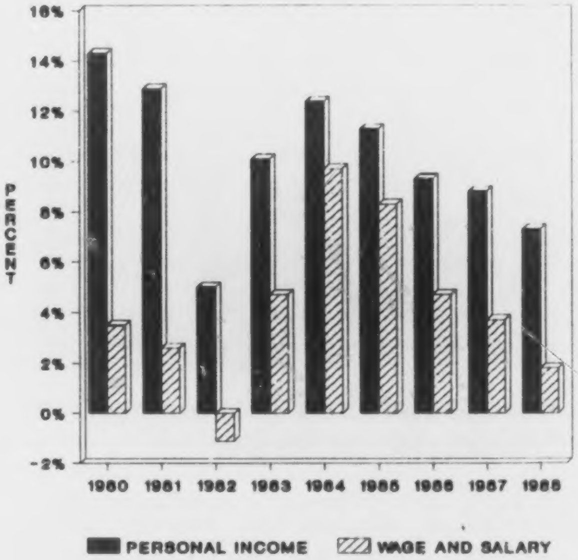
The real increase in average income in these two metropolitan areas, though, can be approximated by using the CPI in those two cities. In 1987, the Phoenix MSA's CPI increased 4.1 percent, while the Tucson MSA's CPI increased 4.8 percent.

Table 2 also reveals that average per capita income ranges from a low of $6,557 in Apache County to $16,077 in Maricopa County. Also, all of the nonmetropolitan counties except Yavapai County had PIs less than 80 percent of the national average income of $15,489. Apache County residents had PI of only 42 percent of the national average.



Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, Aug. 1989

Figure 1. Arizona vs. U.S. Personal Income Growth, 1980-88



Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, Aug. 1989

Figure 2. Arizona Personal Income and Wage and Salary Employment Growth, 1980-88

In many instances, an unusually high or low per capita income is not representative of the standard of living in an area and is the temporary result of unusual conditions such as

(Continued on page 17)

Table 2. Arizona Per Capita Personal Income by County, 1986-87

	1986 Per Capita Personal Income	Percent of National Avg.	1987 Per Capita Personal Income	Percent of National Avg.
Arizona	13,680	94	14,310	92
Apache	6,369	44	6,557	42
Cochise	9,952	68	10,566	68
Coconino	10,800	74	11,389	74
Gila	9,396	64	9,840	64
Graham	8,164	56	8,767	57
Greenlee	9,602	66	10,304	67
La Paz	9,952	68	11,044	71
Maricopa	15,424	106	16,077	104
Mohave	10,378	71	10,819	70
Navajo	8,152	56	8,608	56
Pima	13,212	90	13,845	89
Pinal	9,509	65	10,121	65
Santa Cruz	10,714	73	11,366	73
Yavapai	12,047	82	12,475	81
Yuma	10,466	72	11,115	72

Source: U.S. Department of Commerce, Bureau of Economic Analysis, August 1988.

(Continued from page 16)

declining construction in the metropolitan areas or a bad harvest season in the rural areas. A construction project, for example, may attract many high-paid workers who are included in the population but send a substantial portion of their wages to dependents living in another area.

Conversely, an area with a large institutional population (residents of colleges or prisons) may show an unusually low per capita income that is not necessarily indicative of the economic well-being of the noninstitutional population. Moreover, population is measured at mid-year, whereas income is measured as a flow over the year. Therefore, a significant change in population around mid-year can cause distortion in the per capita figures.

Another reason that a high or low per capita PI does not reflect living standards is that the cost of living varies in different areas. In addition, there is no truly accurate measure of cost of living. While the cost of living is often estimated by CPI, this measure is somewhat limited in that it is only available for the United States as a whole and some selected metropolitan areas. In addition, the construction of the CPI itself faces criticism because its goods and services components -- and their relative weights -- need continuous revision.

Another important point to be noted is the relationship between total PI, the state budget, and the growth in the government sector. A significant portion of the state budget comes from collection of personal income taxes, which includes individual and business income taxes.

Therefore, as the growth in PI slows, state collection of various income taxes falls, which may cause the state to face a shortfall in revenue compared to its spending (e.g., Arizona). As a result, the state may be forced to cut spending, employment, and future levels of services, unless revenues are increased.

—Jalal Ahmad, Ph.D.
RA Economist

New Developments

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the LMI Newsletter is not responsible for incorrect information reported by these sources.

MANUFACTURING - The Army has awarded Mesa-based **Talley Industries** a $48 million contract to build baseburner assemblies, which give artillery units greater firing range. The contract, however, will not increase employment at Talley -- currently 375 -- which won a $16 million contract in 1988 for similar work.

McDonnell Douglas Helicopter Co. of Mesa has received orders this year for 426 commercial and light military helicopters worth a total of $500 million. The orders are split among a series of products -- the MDX, MD 500 and 520N helicopters. Despite the good economic news, McDonnell Douglas, which currently employs about 3,200 workers, laid off 355 employees in May because of an expected decrease in orders from the Army for the Apache attack helicopter.

Motorola Inc. is expected to eliminate several hundred jobs at its Valley plants as part of a nationwide reorganization plan to lay off 2,500 workers. The cuts locally will probably come from Motorola's semiconductor plants in Phoenix (2), Tempe, Chandler and Mesa, which employ about 13,000 of Motorola's 21,000 workers in the Valley.

CONSTRUCTION -- **Phoenix Newspapers** Inc. has chosen **Chanen Construction** Co. to build a $128 million production plant at 19th Avenue and Williams Drive in north Phoenix. Construction of the 254,000-square-foot plant, which will produce *The Arizona Republic* and *The Phoenix Gazette*, is expected to start next spring, with the plant being operational by the summer of 1992.

The Kobel Development Co. of Phoenix is buying the former Phoenix General Hospital building and property, at 19th Avenue and Indian School in Phoenix, with plans to demolish the hospital and build a $9 million shopping center. The 11-acre site will be turned into the 110,000-square-foot **Albertson's Horizon Village**, with the major tenant being a 63,000-square-foot Albertson's supermarket. Construction is expected to be completed by the end of next year.

By a 60-40 margin, **Phoenix voters** turned down a proposed property tax increase to build a **downtown baseball stadium** with hopes of receiving a major league expansion team in 1990. The **city of Tempe**, however, is studying a proposal to build a privately financed stadium on property along the Salt River bed owned by Arizona State University.

The Valley's home-building industry received some good news in August, with **building permits for single-family houses** being 50 percent higher (1,420) than in July (930) and hitting a peak for 1989, says the **Home Builders Association of Central Arizona**. August's figures, however, were down from August of 1988, when 1,532 permits were issued.

TRADE -- Arby's Inc. plans to open an additional 20 restaurants in the Phoenix area during the next five years. The Atlanta-based chain, which specializes in roast beef sandwiches, says sales at metropolitan Phoenix units have averaged $636,000, compared

(Continued on page 19)

(Continued from page 18)

to $610,000 nationally. Most the new units in the Valley will be owned by franchisees, the company says.

Another fast-food chain, **Whataburber Inc.**, also has announced plans to expand in Arizona with the addition of six to eight restaurants in 1990, and more stores in following years. The Corpus Christi, Texas-based chain, is expected to put almost all of its new Arizona stores in the Phoenix area, which already has 20 locations.

Salt Lake City-based **ZCMI** has committed to building two 25,000-square-foot speciality department stores in the Valley, called **ZMCI II**, and is eyeing two other locations. ZCMI (Zions Cooperative Mercantile Institution), which is majority-owned by the Mormon Church, has 12 larger department stores in Utah and Idaho. The two planned stores, which will be located at the **Tri-City Mall** in Mesa and **Scottsdale Pavilions** on Pima Road in Scottsdale, will primarily offer men's and women's clothing, accessories, cosmetics and other speciality items.

FINANCE, INSURANCE and REAL ESTATE - **Security Pacific Corp**. of Los Angeles, parent company of Security Pacific Bank, Arizona, has agreed to move a consolidated credit card center to Phoenix. The center, which will service 1.5 million accounts throughout nine western states, is expected to employ 600 people with an average salary of $23,000.

In a cost-cutting effort, **Valley National Bank**, the state's largest, says it will sell 79 branches located throughout Arizona. Valley recently announced a large operating loss and plans to forego a dividend payment to its stockholders.

SERVICES AND MISCELLANEOUS - **Sprint Services**, which runs U S Sprint long-distance telephone service, has opened a regional operations center in Tempe. The center, which helps customers place calls, currently has 240 employees and is expected to have 400 workers by sometime in 1990.

TRANSPORTATION, COMMUNICATIONS AND PUBLIC UTILITIES (TCPU) -- **Lockheed Corp**. made it official in September that it plans to build a commercial airliner maintenance and modification plant that is expected to employ up to 600 people. Lockheed, which signed a 30-year lease on 55-acres of property at Tucson International Airport, plans to build two 275,000-square-foot hangars, along with other facilities on the airport land. Hiring will begin in April or May of next year, with operations expected to begin in early summer.

Siemens Transmission Systems Inc. has laid off an unspecified number of employees from its research-and-development operations in Phoenix and manufacturing plant in Albuquerque. Siemens, which designs and manufactures telephone transmission equipment, had employed 375 at its Phoenix facility.

GENERAL - The **Arizona Economic Council** has named **P. Scott Eubanks** as the economic development group's president and chief operating officer. Eubanks was formerly head of the Dallas Partnership, a privately funded economic development group that was instrumental in helping bring to the Dallas area the Superconducting Super Collider, as well as the headquarters of GTE Telephone and J.C. Penney. Arizona's group believes Eubanks' expertise will help bring major businesses to the state, including U.S. Memories, a consortium of computer companies that will build high-capacity computer chips. U.S. Memories has selected a site in Phoenix as one of four finalists for the plant.

50465-1 A
1/16/90

ARIZONA
LABOR MARKET INFORMATION

NEWSLETTER

Vol. XIII No. 11
November 1989

Unemployment Rate

Seasonally Adjusted
September*

ARIZONA - 5.7%
Maricopa County - 4.7%
Pima County - 5.2%
UNITED STATES - 5.3%

Consumer Price Index

U.S. - September 1989
Base = 1982-84

Wage Earner/Clerical Worker - 123.6
% Chg. Year Ago - 4.3

All Urban - 125.0
% Chg. Year Ago - 4.3

Phoenix - 3rd Qtr 1989
Base = 1982-84

All Urban - 127.0
% Chg. Year Ago - 5.0

Tucson - 3rd Qtr 1989
Base = 1982-84

All Urban - 125.4
% Chg. Year Ago - 3.0

* Preliminary

Working Poor

BLS Study Profiles Lowest-Paid Sector

Inside This Issue

Full-Time Work No Guarantee of Avoiding Poverty 2
DOL Awards $7 Million for Homeless Job Projects 4
Pilot Program Gives UI Recipients Alternative 5
BIA to Upgrade Skills of Its Workforce 5
Officials Back Guidelines for Career Guidance Programs 6
Career Development Conference in Scottsdale 6
LMI Publications – Hot Off the Press 7
The Arizona Labor Force in September 7
Arizona Labor Force Statistics 8
New Developments 12

Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency

Full-Time Job No Guarantee of Avoiding Poverty

6 Million in U.S. Who Spent At Least Half of '87 in Labor Force Were Poor

Working full time and staying out of poverty are far from synonymous conditions in this country, according to research by the U.S. Labor Department's Bureau of Labor Statistics (BLS). In its "Profile of the Working Poor" in the October 1989 issue of the *Monthly Labor Review*, the Bureau says that more than 6 million persons lived in families below the official poverty level in 1987 even though they worked or looked for work at least half of the year.

Table. 1. U.S. Poverty Guidelines, 1987, 1989.

Size of Family Unit	Total Annual Income 1987	1989
1	$5,500	$5,980
2	7,400	8,020
3	8,300	10,060
4	11,200	12,100
5	13,100	14,140
6	15,000	16,180
7	16,900	18,220
8	18,800	20,260

Source: U.S. Department of Health and Human Services, 1987, 1989

The article's authors, economists Bruce W. Klein and Philip L. Rones, say that poverty among workers often results from a combination of low pay rates and a family structure that has only one earner and includes children. In fact, three out of five women who maintain families and work full time but earn low wages do not earn enough to keep their families out of poverty. (For the authors' research, working poor are defined as "persons who have devoted at least half the year to labor market efforts, being either employed or in search of a job during that period, but who still lived in poor families.")

Other key findings from the research are that nearly 3 million families in poverty had at least one worker, and 2 million workers in poverty lived outside of family units, either on their own or with nonrelatives.

ARIZONA LMI NEWSLETTER
SITE CODE 733A
P.O. BOX 6123
PHOENIX, AZ 85005-6123
(602) 542-3871

Brent Fine, Editor
Linda Van Calcar, Word Processor

A disproportionately large share of the working poor -- nearly 1 in 6 -- were women maintaining families, but more were husbands (26 percent), most of whom were their family's sole earners. Overall, families of all types with a single earner comprised three-fourths of working poor families. Poverty was found to be rare in husband-wife families where both spouses worked.

Klein and Rones point out that many women maintaining families do not work and, hence, are not among the working poor. The authors cite studies that show that even full-time, year-round employment would often not provide sufficient earnings to raise a family out of poverty. Thus, many 3turn to welfare as a way to meet both economic and child-care responsibilities.

Low earnings seem to be the key reason why someone who usually works full time is a member of a poor family. The

(Continued on page 3)

(Continued from page 2)

authors define low earnings as an hourly wage rate of no more than $4.18 per hour (the average of the federal minimum wage levels, expressed in 1987 dollars, that prevailed in 1967-87) for a 40-hour workweek.

While the fact that low earnings lead to poverty might seem like a truism, the authors point out that the vast majority of low-paid, full-time workers do not live in poor families. Those who are not poor typically have other family members who work, or have few persons dependent on their earnings.

Two other labor market problems often occur in conjunction with low earnings. Persons with unemployment were six times more likely to be among the working poor if they also were low earners. Full-timers who spent some weeks working part-time involuntarily -- that is, they would have preferred full-time work -- were more than 17 times more likely to be among the working poor if they also had low earnings. Those workers who experienced unemployment or involuntary part-time work but earned above the low earnings threshold when they did work typically were not poor.

Low earnings can be caused by many factors, but a lack of education seems to be a major factor. About 40 percent of the working poor dropped out of high school and only 7 percent had four years of college or more. In contrast, among nonpoor workers, only 15 percent were high school dropouts and 24 percent had completed four or more years of college. Aside from education, "family background seems to influence earnings and poverty to a large extent," the authors say, "and it does so primarily indirectly, through its influence on education."

Table 2. Characteristics of Poor and Nonpoor Workers, 1987.

(Numbers in thousands)

Characteristic	Poor workers		Nonpoor workers		Poverty rate[1]
	Number	Percent	Number	Percent	
Age, sex, and race					
Total, 16 years and over	6,400	100.0	107,089	100.0	5.6
16 to 19 years	434	7.7	4,275	4.0	10.4
20 to 24 years	1,175	18.4	11,837	11.1	9.0
25 to 54 years	4,163	65.0	76,490	71.4	5.2
55 years and over	568	8.9	14,487	13.5	3.8
Men	3,346	52.3	60,022	56.0	5.3
Women	3,054	47.7	47,067	44.0	6.1
White	4,647	72.6	93,640	87.4	4.7
Black	1,567	24.5	10,269	9.6	13.2
Family relationship					
Husbands	1,669	26.1	38,088	35.6	4.2
Wives	685	10.7	27,114	25.3	2.5
Women who maintain families	1,091	17.0	5,074	4.7	17.7
Men who maintain families	158	2.5	1,857	1.7	7.8
Others in families	860	13.4	17,071	15.9	4.8
Unrelated individuals	1,937	30.3	17,886	16.7	9.8
Education					
Less than 4 years of high school	2,466	38.5	16,051	15.0	13.3
4 years of high school	2,620	40.9	43,355	40.5	5.7
1 to 3 years of college	867	13.5	22,215	20.7	3.8
4 years of college or more	447	7.0	25,466	23.8	1.7

1. Number of poor workers as a percent of all workers who spent 27 weeks or more in the labor force in 1987.

NOTE: Because of rounding, sums of individual items may not equal totals.

Source: Monthly Labor Review, U.S. Department of Labor, Bureau of Labor Statistics, October 1989

Monthly Labor Review can be found at major public libraries, including in Phoenix at the Arizona State Library, 1700 W. Washington St.; and the Department of Economic Security Library, 1300 W. Washington St.

–U.S. Department of Labor, Bureau of Labor Statistics

DOL Awards $7 Million for Homeless Job Projects; State Comes Up Empty

The U.S. Department of Labor (DOL) recently awarded 21 public and private agencies nearly $7 million in grants to operate employment and training projects for the homeless. Six organizations in Arizona, however, will not receive any of the one-year grants from the Job Training for the Homeless Demonstration Program, targeted for groups such as the chronically mentally ill, substance abusers, homeless youth and Native Americans.

The six groups in Arizona -- five in Maricopa County -- were part of 293 state and local public agencies, private non-profit organizations, and private businesses seeking funds authorized by the Stewart B. McKinney Homeless Assistance Act. Nine of the grants went to organizations that received funds for similar projects in 1988, the program's first year of operation.

> *... the misconception that homelessness is not a major problem in Sun Belt cities might ... have hurt Arizona's chances.*
>
> **—Richard Huffman**
> **Pima County Re-entry Program**

Among the activities the program requires its grantees provide are: remedial education, job search, job training, basic skills instruction, supportive services, outreach, and coordination with related community programs. The results of the providers' work will then go toward determining how to provide effective employment and training to the homeless and address the reasons for homelessness, as well as learning how public and private agencies can coordinate their efforts to meet the needs of the homeless, including transitional or permanent housing.

Terry Cook, a program coordinator for the Community Services Administration of the Department of Economic Security, says the main reason the state lost out on funding was because the proposals "didn't rank as high as proposals from competitors." But in addition, Cook suggests that coordinating grant applications for projects like these through the state's JTPA (Job Training Partnership Act) office -- instead of having Arizona agencies competing against one another -- might increase agencies' chances of landing federal grants.

Richard Huffman, director of the Pima County Re-entry Program, which specializes in helping homeless find jobs, says the misperception that homelessness is not a major problem in Sun Belt cities might also have hurt Arizona's chances. Huffman's agency, however, did receive a grant of $300,000 from the homeless job program last year -- the program's first year -- and has $70,000 left over to spend through next September.

Although there are many interrelated causes of homelessness, unemployment is usually considered the biggest factor. And in the 1980s, the homeless population -- estimated between 250,000 and 3 million nationally -- has become a more heterogeneous population that is younger than in the past, with an increase in minorities, women and families. In Arizona, the homeless population is estimated between 8,000 and 10,000, with the majority in Maricopa County, estimated between 6,000 and 8,000.

DOL's Employment and Training Administration (ETA) is overseeing the homeless job project. ETA and grantees will evaluate the projects, and a report will be submitted April 1 to the President, Congress, and the Interagency Council on the Homeless, a group established by the McKinney Act.

The December issue of the Arizona LMI Newsletter will offer a more in-depth look at Arizona programs that help the homeless find jobs.

—Brent Fine
Arizona LMI Newsletter Editor

Pilot Program Gives UI Recipients Alternative

Some unemployed workers in the state of Washington will get a chance to be their own bosses -- with help from their unemployment insurance (UI) benefits -- through a pilot project being funded by the U.S. Department of Labor (DOL).

Started at the end of September, the Washington Self-Employment Demonstration Project will allow about 500 workers who want to open a business to use up to $7,000 of their earned UI benefits as seed money to begin their ventures. In addition, the program offers participants assistance in entrepreneurial and technical training, as well as business counseling.

The project, funded by a $2 million research grant from DOL, is one of several means through which DOL is exploring "to accelerate the return of jobless workers to productive employment," says a DOL news release. "If successful," the release says, "the self-employment project will be used as a policy option for an ongoing program throughout the United States."

A cooperative effort among the DOL, the Washington State Employment Security Department, and the Business Assistance Center of the Washington Department of Trade and Economic Development, the project has started in Vancouver, Wash., and will expand to five additional Washington sites in January. The pilot project will continue to the end of 1990.

The basic federal-state UI system provides jobless workers with income support payments, which can last up to 26 weeks, to sustain workers through temporary periods of unemployment.

BIA Project to Upgrade Skills of Native Americans; Navajo Reservation Targeted

The U.S. Department of Interior's Bureau of Indian Affairs (BIA) has begun a pilot program to upgrade the skills of 72 Native Americans employed as journeymen mechanics at three BIA Facility Management and Construction Center (FMCC) sites, including one on the Navajo Reservation in Fort Defiance, Ariz. If successful, the apprenticeship program will be expanded across the country and could eventually lead to the training and employment of 700 to 1,500 Native Americans for BIA jobs, says a federal government official.

"The objective of the pilot program is to build up journeyman forces. They (BIA) do not have enough people (currently) trained to journeyman level," says Ruben Dominguez, New Mexico state director for the U.S. Department of Labor's Bureau of Apprenticeship and Training (BAT). Dominguez' agency develops standards for apprenticeship training and certifies trainees.

Occupations where training will be offered include electrician, carpenter, plumber, maintenance mechanic, building maintenance repairer, environmental control system installer-servicer, and boiler operator.

For the first year the training program will only be available to current BIA employees. Then, as the program expands, Native Americans not employed by BIA can apply for apprenticeship jobs.

More information is available on the BIA program by calling Dominguez at 1-505-766-2398.

School Officials Back Guidelines for Career Guidance Programs

The Council of Chief State Schools Officers has endorsed a national program to strengthen and improve comprehesive, compentency-based career development programs at schools, colleges, human service agencies and community organizations.

The National Career Development Guidelines, designed by the National Occupational Information Coordinating Committee (NOICC), identify desired outcomes of comprehesive career guidance programs at elementary, middle school, secondary, postsecondary and adult education levels. In addition, the guidelines establish staff requirements and competencies needed by counselors and other career development personnel to deliver quality programs.

The National Career Development Guidelines are presented in five handbooks, one for each program setting (e.g., elementary schools). Each guide gives a three-step process that includes planning, development, and implementation of student career development standards. An awareness brief and trainers guide are also available from NOICC.

The National Career Development Guidelines initiative was started in 1987 with the collaboration of the U.S. Department of Education, professional guidance community, and state and local agency personnel. The guidelines and outline of the implementation process were developed by the North Dakota Occupational Information Coordinating Committee under a two-year, $237,000 NOICC grant. NOICC has since awarded grants to 20 state agencies to update and implement standards for compehensive career guidance and counseling programs for their respective states.

NOICC, authorized by the Job Training Partnership Act of 1982 and the Carl Perkins Vocational Education Act of 1984, is a federal interagency committee established to promote the development and use of occupational and career information.

More information about the guidelines is available by writing: Dr. Mary Beth McCormac, National Guidelines Project Director, NOICC, 2100 M St. NW, Suite 156, Washington, DC 20037; or call (202) 653-5671.

Career Development Conference Scheduled for Scottsdale

"Empowering People Through Career Development" will be the theme of the National Career Development Association's (NCDA) national conference, to be held January 11-13 in Scottsdale at the Wyndham Paradise Valley Resort.

Among topics planned for discussion at the conference are:

.Empowering minorities, women, and at-risk populations.

.Current and future jobs.

.Empowering youth for challenges in the 21st-century workforce.

.Empowering individuals through a balance of roles -- work, family, and leisure.

Workshops, professional development institutes, and seminars will be featured prior to and after the conference. One of the workshops, which will be held January 10-11, is called "Leadership in Implementing and Evaluating Career Development Programs." It will be conducted by the National Occupational Information Coordinating Committee (NOICC) and the U.S. Department of Education's Office of Vocational and Adult Education.

More information on the conference is available by writing: Niel Carey, NCDA, 5999 Stevenson Ave., Alexandria, VA 22304; or call (301) 461-5574.

LMI Publications -- Hot Off the Press

The following revised publication prepared by the Department of Economic Security (DES), Research Administration, can be ordered by writing to the address on the back of this newsletter or by calling (602) 542-3871. One copy of each publication will be sent at no charge. Multiple copies are available at a nominal charge. DES offices can order directly from DES Supply.

The *Arizona Occupational Profile - Manufacturing* (PAL 340) has been updated with employment projections to the year 1994. This profile is one in a series of publications that examines major industries in the state. It was last revised in 1985.

The text portion of the publication consists of three parts: a general definition of manufacturing, Arizona manufacturing industry characteristics, and Arizona manufacturing trends.

The definition explains the processes involved in manufacturing -- as well as the goods produced -- and gives examples of both durable goods (longer lasting), and nondurable goods (consumables). Some of Arizona's manufacturing characteristics and trends are illustrated with graphs and tables.

The major portion (two-thirds) of the 68-page publication, however, is devoted to occupational data tables, which are broken out by each county, as well as the state as a whole.

The tables give the projected employment for 1988 and 1990, as well as "total job openings" between 1988 and 1990, for a variety of manufacturing occupations. Total job openings represent the sum of openings due to growth and separations (e.g., death, retirement, pregnancy), but do not include labor turnover (e.g., openings created when workers change jobs).

The occupational profile also includes a table that lists the 30 largest occupations in Arizona's manufacturing industry and their expected job openings between 1988 and 1990.

The Arizona Labor Force in September

Arizona's unemployment rate dropped two-tenths of a percentage point to 5.7 percent in September as the number of unemployed declined 9,900, and employment increased 2,500. This was the first decline in the state's unemployment rate since May.

While Arizona's labor force was shrinking, total wage-and-salary employment expanded by 39,400 jobs, about 8,100 more than seasonally expected. Most of the seasonal increase was in the public sector as school systems returned to full staffing for the fall semester. The more-than-seasonal improvement was primarily among employers in Maricopa County's services industry.

After four consecutive months of weak growth in the construction sector, 200 jobs were lost in September. Although the month usually brings seasonal employment declines in construction, these losses appear to be related to general weakness in the housing market. And while lower mortgage rates would be of some help, the near-term outlook for this sector is for a continuation of its recent performance.

The related finance, insurance, and real estate (FIRE) industry group dropped another 100 jobs in September, with losses occurring in the state's

(Continued on page 12)

Arizona Labor Force and Employment

September 1989 (in thousands)

	ARIZONA				
				Amount Change	
	Sep.* 1989	Aug. 1989	Sep. 1988	Aug.- Sep.	1988- 1989
TOTAL CIVILIAN LABOR FORCE**	1704.9	1717.3	1679.6	-12.4	+25.3
Total Unemployment	99.7	109.6	116.8	-9.9	-17.1
Rate	5.8	6.4	7.0	----	----
Rate (Sea. Adj.)***	5.7	5.9	6.7	----	----
Total Employment	1605.2	1607.7	1562.8	-2.5	+42.4

The Above Labor Force Statistics Should N

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

TOTAL WAGE AND SALARY	1443.3	1403.9	1406.4	+39.4	+36.9
Manufacturing	189.9	189.8	191.1	+0.1	-1.2
Durable Goods	144.3	144.6	147.0	-0.3	-2.7
Stone, Clay, and Glass	7.7	7.6	7.6	+0.1	+0.1
Primary and Fabricated Metals	15.9	15.9	15.7	+0.0	+0.2
Primary Metals	7.3	7.4	7.5	-0.1	-0.2
Fabricated Metals	8.6	8.5	8.2	+0.1	+0.4
Machinery	62.3	62.8	66.6	-0.5	-4.3
Other Durable Goods	58.4	58.3	57.1	+0.1	+1.3
Aircraft and Missiles	26.0	26.0	26.2	+0.0	-0.2
Lumber and Wood Product (Excluding Furniture)	8.6	8.7	8.4	-0.1	+0.2
All Other Durable Goods	23.8	23.6	22.5	+0.2	+1.3
Nondurable Goods	45.6	45.2	44.1	+0.4	+1.5
Food and Kindred Products	9.9	9.7	9.5	+0.2	+0.4
Apparel	4.6	4.5	4.5	+0.1	+0.1
Printing and Publishing	16.9	17.0	16.6	-0.1	+0.3
All Other Nondurable Goods	14.2	14.0	13.5	+0.2	+0.7
Mining and Quarrying	12.1	12.1	12.2	+0.0	-0.1
Copper Mining	9.2	9.1	9.0	+0.1	+0.2
Other Mining and Quarrying	2.9	3.0	3.2	-0.1	-0.3
Construction	92.2	92.4	95.0	-0.2	-2.8
Trans., Communications, & Public Utilities	73.2	73.5	71.8	-0.3	+1.4
Transportation	38.6	38.5	36.1	+0.1	+2.5
Communications and Public Utilities	34.6	35.0	35.7	-0.4	-1.1
Trade	360.0	356.7	343.5	+3.3	+16.5
Wholesale Trade	69.6	69.0	66.9	+0.6	+2.7
Retail Trade	290.4	287.7	276.6	+2.7	+13.8
General Merchandise and Apparel	45.2	44.7	42.0	+0.5	+3.2
Food Stores	48.2	47.9	46.2	+0.3	+2.0
Automotive and Service Stations	35.8	36.2	34.0	-0.4	+1.8
Eating and Drinking Places	100.8	99.4	97.1	+1.4	+3.7
Other Retail Trade	60.4	59.5	57.3	+0.9	+3.1
Finance, Insurance, and Real Estate	92.3	92.4	92.2	-0.1	+0.1
Services and Miscellaneous	370.4	366.6	358.2	+3.8	+12.2
Hotels and Other Lodging Places	41.8	40.9	39.4	+0.9	+2.4
Business Services	78.0	77.2	77.2	+0.8	+0.8
Health Services	93.2	92.8	91.1	+0.4	+2.1
Other Services	157.4	155.7	150.5	+1.7	+6.9
Government	253.2	220.4	242.4	+32.8	+10.8
Federal	44.3	43.1	44.1	+1.2	+0.2
State and Local	208.9	177.3	198.3	+31.6	+10.6
School	117.4	82.8	111.3	+34.6	+6.1

* Preliminary

** Labor force, unemployment, and employment are reported by place of residence.

*** Normal seasonal variations have been eliminated to reflect underlying economic trends.

Arizona Labor Force and Employment

September 1989 (in thousands)

MARICOPA COUNTY					PIMA COUNTY				
			Amount Change					Amount Change	
Sep.* 1989	Aug. 1989	Sep. 1988	Aug.- Sep.	1988- 1989	Sep.* 1989	Aug. 1989	Sep. 1988	Aug.- Sep.	1988- 1989
1054.6	1066.7	1043.3	-12.1	+11.3	322.7	324.5	316.9	-1.8	+5.8
51.2	54.0	59.4	-2.8	-8.2	17.0	17.0	17.8	+0.0	-0.8
4.9	5.1	5.7	---	---	5.3	5.2	5.6	---	---
4.7	4.9	5.5	---	---	5.2	5.1	5.6	---	---
1003.4	1012.7	983.9	-9.3	+19.5	305.7	307.5	299.1	-1.8	+6.6

Be Used for Economic Assistance Programs

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

947.2	925.9	926.9	+21.3	+20.3	250.9	244.3	245.8	+6.6	+5.1
139.7	139.7	139.2	+0.0	+0.5	28.1	28.1	30.2	+0.0	-2.1
107.7	108.0	108.2	-0.3	-0.5	22.3	22.2	24.4	+0.1	-2.1
4.8	4.7	5.1	+0.1	-0.3					
10.6	10.6	10.3	+0.0	+0.3					
51.4	51.9	53.0	-0.5	-1.6					
40.9	40.8	39.8	+0.1	+1.1					
32.0	31.7	31.0	+0.3	+1.0	5.8	5.9	5.8	-0.1	+0.0
6.4	6.3	6.1	+0.1	+0.3					
3.5	3.5	3.4	+0.0	+0.1					
11.9	12.0	11.7	-0.1	+0.2					
10.2	9.9	9.8	+0.3	+0.4					
0.9	0.9	0.7	+0.0	+0.2	2.1	2.1	1.8	+0.0	+0.3
62.0	62.0	65.2	+0.0	-3.2	16.3	16.7	17.0	-0.4	-0.7
51.1	51.3	49.9	-0.2	+1.2	9.5	9.5	9.0	+0.0	+0.5
28.3	28.2	26.4	+0.1	+1.9	4.9	4.9	4.6	+0.0	+0.3
22.8	23.1	23.5	-0.3	-0.7	4.6	4.6	4.4	+0.0	+0.2
241.1	239.4	233.1	+1.7	+8.0	60.0	58.8	56.6	+1.2	+3.4
56.2	55.8	54.0	+0.4	+2.2	7.3	7.3	7.0	+0.0	+0.3
184.9	183.6	179.1	+1.3	+5.8	52.7	51.5	49.6	+1.2	+3.1
27.8	27.5	27.1	+0.3	+0.7	7.7	7.6	7.2	+0.1	+0.5
31.0	30.9	29.8	+0.1	+1.2	8.1	8.0	8.0	+0.1	+0.1
22.9	23.2	21.4	-0.3	+1.5	5.5	5.6	5.7	-0.1	-0.2
63.7	62.7	62.3	+1.0	+1.4	18.7	18.3	17.9	+0.4	+0.8
39.5	39.3	38.5	+0.2	+1.0	12.7	12.0	10.8	+0.7	+1.9
73.7	73.7	73.5	+0.0	+0.2	11.6	11.6	12.1	+0.0	-0.5
247.7	244.0	241.9	+3.7	+5.8	69.7	69.3	66.5	+0.4	+3.2
24.3	23.3	22.8	+1.0	+1.5	6.5	6.3	6.3	+0.2	+0.2
60.7	60.0	60.8	+0.7	-0.1	11.9	11.8	11.4	+0.1	+0.5
60.2	59.9	59.8	+0.3	+0.4	20.2	20.2	19.3	+0.0	+0.9
102.5	100.8	98.5	+1.7	+4.0	31.1	31.0	29.5	+0.1	+1.6
131.0	114.9	123.4	+16.1	+7.6	53.6	48.2	52.6	+5.4	+1.0

NOTE: Prepared by the Arizona Department of Economic Security, Research Administration, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Nonmetropolitan Counties
Labor Force and Employment
September 1989

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
CIVILIAN LABOR FORCE*	15,200	35,275	46,100	12,925	9,125	2,975	5,725
Total Unemployment	1,875	2,200	2,875	1,200	675	225	425
Rate	12.3%	6.2%	6.2%	9.3%	7.4%	7.6%	7.4%
Rate (Seas. Adj.)**	14.6%	6.6%	7.1%	10.0%	7.4%	7.0%	6.5%
Total Employment	13,325	33,075	43,225	11,725	8,450	2,750	5,300

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

TOTAL WAGE AND SALARY	15,525	25,350	42,125	10,975	5,750	2,875	3,800
Manufacturing	950	1,400	3,175	1,350	200	50	350
Mining & Quarrying	50	150	150	1,300	0	1,575	75
Construction	1,025	850	2,125	600	200	175	250
T.C.P.U.	1,650	1,575	2,225	375	150	25	75
Trade	1,675	5,825	9,975	2,375	1,500	225	1,200
F.I.R.E.	375	675	925	275	100	25	100
Services & Misc.	4,475	4,875	11,225	2,175	975	150	900
Government	5,325	10,000	12,325	2,525	2,625	650	850

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	34,300	27,625	38,875	11,250	39,625	48,625
Total Unemployment	1,825	2,550	3,025	2,000	2,100	10,550
Rate	5.3%	9.2%	7.8%	17.8%	5.3%	21.7%
Rate (Seas. Adj.)**	5.5%	11.0%	7.5%	13.4%	5.6%	17.2%
Total Employment	32,475	25,075	35,850	9,250	37,525	38,075

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

TOTAL WAGE AND SALARY	23,700	21,375	30,350	9,650	26,650	27,200
Manufacturing	2,675	2,025	4,100	1,275	2,425	2,150
Mining & Quarrying	150	1,175	3,675	0	825	50
Construction	2,050	1,300	1,300	350	2,350	1,450
T.C.P.U.	1,225	1,775	900	550	1,025	1,050
Trade	7,350	4,425	5,400	3,750	7,375	7,775
F.I.R.E.	1,100	375	800	300	1,000	975
Services & Misc.	5,425	4,975	4,025	1,650	6,175	6,025
Government	3,725	5,325	10,150	1,775	5,475	7,725

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities
F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Estimated Hours and Earnings of Production Workers in Selected Industries
Arizona

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Sep.* 1989	Aug. 1989	Sep. 1988	Sep.* 1989	Aug. 1989	Sep. 1988	Sep.* 1989	Aug. 1989	Sep. 1988
Manufacturing	414.47	408.59	409.36	41.2	40.9	41.1	10.06	9.99	9.96
Aircraft & Missiles	616.45	614.14	INA	44.8	44.6	INA	13.76	13.77	INA
Food & Kindred Prod.	348.47	350.24	325.75	40.1	41.4	39.2	8.69	8.46	8.31
Primary Metals	498.39	509.52	522.10	36.7	37.3	40.1	13.58	13.66	13.02
Machinery	400.80	395.81	403.60	40.0	39.7	40.4	10.02	9.97	9.99
Copper Mining	589.18	564.88	515.44	44.5	44.2	40.3	13.24	12.78	12.79
Construction	434.44	435.98	426.69	37.1	37.2	36.5	11.71	11.72	11.69
Utilities	703.10	710.77	636.01	44.5	44.9	42.8	15.80	15.83	14.86
Retail Trade**	254.21	255.53	250.00	33.1	33.8	33.2	7.68	7.56	7.53
Wholesale Trade	373.84	372.49	386.28	37.8	38.6	39.7	9.89	9.65	9.73

Estimated Hours and Earnings of Production Workers in Selected Industries
Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Sep.* 1989	Aug. 1989	Sep. 1988	Sep.* 1989	Aug. 1989	Sep. 1988	Sep.* 1989	Aug. 1989	Sep. 1988
Manufacturing	434.08	425.99	442.68	41.9	41.0	42.2	10.36	10.39	10.49
Construction	453.20	455.04	445.06	37.3	37.7	36.6	12.15	12.07	12.16
Retail Trade**	267.26	268.49	275.47	33.2	33.9	33.8	8.05	7.92	8.15
Wolesale Trade	392.05	389.16	411.27	38.1	38.8	40.4	10.29	10.03	10.18

Estimated Hours and Earnings of Production Workers in Selected Industries
Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Sep.* 1989	Aug. 1989	Sep. 1988	Sep.* 1989	Aug. 1989	Sep. 1988	Sep.* 1989	Aug. 1989	Sep. 1988
Manufacturing	360.58	364.10	382.08	38.4	38.9	39.8	9.39	9.36	9.60
Copper Mining	649.85	612.37	591.16	45.7	43.4	42.9	14.22	14.11	13.78
Construction	380.56	386.53	378.88	37.2	37.6	37.0	10.23	10.28	10.24
Utilities	617.10	599.68	581.99	42.5	41.3	41.9	14.52	14.52	13.89

* Preliminary.

** Excudes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs
September 1989

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,704,867	1,605,173	99,694	5.8%
Apache	15,205	13,337	1,868	12.3
Cochise	35,281	33,077	2,204	6.2
Coconino	46,113	43,235	2,878	6.2
Gila	12,921	11,720	1,201	9.3
Graham	9,118	8,442	676	7.4
Greenlee	2,978	2,755	223	7.5
La Paz	5,734	5,304	430	7.5
Maricopa	1,054,584	1,003,399	51,185	4.9
Mohave	34,296	32,463	1,833	5.3
Navajo	27,613	25,074	2,539	9.2
Pima	322,667	305,671	16,996	5.3
Pinal	38,870	35,852	3,018	7.8
Santa Cruz	11,250	9,262	1,988	17.7
Yavapai	39,616	37,517	2,099	5.3
Yuma	48,621	38,065	10,556	21.7

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

The Arizona Labor Force in September

(Continued from page 7)

nonmetropolitan counties.

Arizona manufacturing businesses in September were still stagnating, adding only 100 jobs over-the-month, compared to a seasonal addition of 600 jobs. Continuing the trend of prior months, machinery manufacturing lost 500 jobs -- all in Maricopa County -- due to losses in high-technology businesses.

Transportation, communications, and public utilities (TCPU) also had a poor month, dropping 300 when an 800 gain is seasonally normal. All of the decline was in the public utilities sector, while transportation picked up 100 of its normal 200 seasonal gain. Still, public utilities employment in Maricopa County is not dropping as much as expected given earlier announcements of impending layoffs.

Trade advanced in September, as seasonally expected, gaining 3,300 jobs. Wholesale trade picked up 600 workers and retail trade added another 2,700. Despite an opening of two food store chains in the state, food stores were one of trade's two weakest components in September. The other was automotive and service stations, which lost 400 jobs.

Services was the star performer during the month -- climbing 3,800 jobs (twice

(Continued on page 13)

(Continued from page 12)

the normal amount) -- with nearly all employment additions coming in Maricopa County. Business services added 800 while "other services" increased 1,700. Even hotels and other lodging places added 200 more than normal for September, climbing 900.

Continuing a trend that has existed for more than a year in the state, September recorded slow, but improved job growth. Over-the-year wage-and-salary employment was up 2.6 percent, doubling last year's September-to-September figure.

The Arizona economy's ability to sustain this growth in the months ahead will be watched closely. The outlook is for slower job growth with a return of construction's decline.

--Ron Simon
RA Economic Analysis Manager

New Developments

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the LMI Newsletter is not responsible for incorrect information reported by these sources.

MANUFACTURING - **Goldstar Products Co.** of South Korea has hired 75 engineers, salespersons, and support personnel for a U.S. division headquarters it recently opened near the Scottsdale Municipal Airport. The division will design and sell telephone products such as answering machines, phones (home, office and cellular), and facsimile machines. Scottsdale and state officials are also urging Goldstar to begin a manufacturing operation there that could lead to 500 to 600 jobs.

AiResearch Tucson Division laid off an undetermined number of its 1,550 employees in mid-October due to rescheduling of work orders by customers. Cuts included administrative, engineering and manufacturing jobs. A division of Allied-Signal Aerospace Co., AiResearch manufactures electronic devices for aerospace equipment.

The Carborundum Co., based in Niagara Falls, N.Y., is planning to build a microelectronics design center in Phoenix that will employ about 30 people when it opens in spring of next year. The 25,000-square-foot facility, located in the Phoenix Tech Center at Elliot Road and Interstate 10, will be used for prototype testing and designing of products for Carborundum's customers in the West. Manufacturing of finished goods will be done at its western-New York plant.

Chicago Energy Corp. is eyeing the southeast Valley as a place to market, distribute, and possibly manufacture its fluorescent light-saving device. If plans continue as expected, the company will hire about 100 people in the Valley and lease 6,000 to 10,000 square feet by the end of the year. Chicago Energy Corp. claims its product extends the life of fluorescent bulbs to five years and pays for itself in eight to 13 months.

Penn Racquet Sports may be expanding its west Phoenix facilities, which employ 400 and make tennis and racquet balls. A subsidiary of GenCorp Polymer Products in Ohio, Penn is looking at buying a golf ball manufacturing company and increasing manufacturing space here in order to produce an additional 12 million tennis balls

(Continued on page 14)

(Continued from page 13)

a year. Penn's plant in Phoenix currently produces 250,000 tennis balls a day with three shifts working around the clock.

CONSTRUCTION -- Work is expected to get under way soon on **Square One**, the cornerstone of Phoenix redevelopment. The 80,000-square-foot, four-story retail project bounded by Central Avenue and First, Adams, and Washington streets, will feature upscale shops, restaurants, and a micro-brewery. Trammell-Crow Co. of Dallas will develop the Southwestern art-deco-style center that is expected to open in early 1991.

If approved by the city of Scottsdale, Phoenix developer **Kobel Cos**. plans to build a 120,000-square-foot shopping center at Scottsdale and Thomas roads. A 60,000-square-foot Albertson's supermarket will be the cornerstone of the development called **Scottsdale Crossroads**. An existing retail center and some residences will need to be demolished to build the project, which could open as early as the end of 1990.

If zoning and other restrictions can be met, **Knoell Homes** plans to build 700 residential units, a 95,000-square-foot shopping center, and a 16-acre office-industrial project at Raintree Road and 92nd Street in north Scottsdale. The residential units will include 180 single-family homes, 231 patio homes and a 286-unit apartment complex.

If approved by the Scottsdale City Council, **Scottsdale Lakes Golf Club Properties Inc**. is planning a $40 million development -- consisting of 159 single-family homes priced from $150,000 to $400,000 -- on a 30-acre parcel in north Scottsdale. The luxury-home project will surround the **Desert Lakes Golf & Country Club**, under construction near Pima and Indian Bend roads.

An Albertson's supermarket will anchor two new retail shopping centers being developed by **SDC Development and Gary Davidson**. Construction is set to get under way on a 110,000-square-foot shopping center at Alma School and Ray roads in Chandler the first quarter of 1990 with completion expected by the end of next year. Meanwhile, work has already started on a 115,000-square-foot development at 51st Avenue and Cactus Road in Phoenix.

TRADE -- Fast service is coming to the pizza business and Phoenix as **Pizza Now Inc**. will open five **Pizza Now!** carryout restaurants in the Valley during the next year. Pizza Now, which opened its first Arizona location at the Paradise Valley Mall in October, offers three- and six-inch pan pizzas within one minute of an order.

Mesa businessman Thomas G. Fleck has joined the burger wars by opening two **Fast Lane** fast-food franchises -- one each in Mesa and Phoenix -- with plans to open four more in the Valley and three in Tucson as well as another 70 in the West. Fast Lane specializes in drive-thru service and offers virtually no seating inside in order to cut down on costs.

MINING -- **Magma Copper Co**. is studying the possibility of reopening its namesake, the **Magma Mine** in Superior. If reports on the mine -- closed for seven years and flooded for four -- are favorable it could be refurbished and opened by the end of next year. Magma says the mine would probably operate for eight years, produce an average of 14,000 tons of copper a year, and employ 300.

FINANCE, INSURANCE and REAL ESTATE - **First Interstate Bank of Arizona** is closing an unspecified number of its 192 branches throughout the state to offset a $174 million loss in the third

(Continued on page 15)

(Continued from page 14)

quarter of this year. The poor performance, due to having to increase its loan loss reserves by $350 million to offset declining real estate values, compares with a profit of nearly $20 million in the third quarter of 1988.

SunCor Development Co. is about to begin start-up work on a 9,000-acre community called Litchfield, about 20 miles west of Phoenix, that will feature more than 4,000 housing units, a 40-acre hospital campus, golf course, community college, several shopping centers, offices, and hotels. SunCor., a subsidiary of Pinnacle West Corp., has received zoning approval from the city of Goodyear to begin preparing 1,475 acres -- bounded by Thomas Road, Interstate 10, Dysart Road and Bullard Avenue -- for the first phase of construction.

SERVICES AND MISCELLANEOUS - **Bullhead City** will be the beneficiary of another casino project planned for its river neighbor Laughlin, Nev. Walter Company of Beverly Hills has already begun construction on **Paradise Casino**, a 20-story hotel tower that will feature 40,000 square feet of casino floorspace as well a 2,100-space parking lot, showroom, and 40-lane bowling alley.

Work is nearing completion on **Papago Medical Park**, an 82,000-square-foot medical office building at 1331 N. 7th St. in Phoenix. The $12 million building, which also includes the Papago Clinic, is 79 percent preleased and is expected to open in May. The clinic will house between 20 and 30 medical and surgical specialists.

A congregate care facility that would employ 25 people is being planned by **Casa Grande Regional Medical Center**. The 60,000-square-foot, $4.5 million facility would treat patients who need less attention than acute-care hospitals. If final plans are approved, construction would being in early next year and is expected to be completed the following November.

Southwest Airlines continued its expansion into the Valley with the acquisition of a 21,000-square-foot building at 2330 E. Jones Ave. in Phoenix and the hiring of an additional 15 employees. Southwest now has 305 telephone agents at its reservations center, up from 70 in 1987.

A chain of seven optical stores called **20/20 EYES** is being opened by Valley optometrist Richard Huffman. Huffman has bought the assets of three Eye-Masters stores -- one in Chandler, two in Phoenix -- and is changing the names of stores he currently owns under his corporation, Eyes Plus Inc. Huffman is also considering opening two additional stores.

TRANSPORTATION, COMMUNICATIONS AND PUBLIC UTILITIES (TCPU) -- In response to demand for longer hours, **US West Communications** is extending its office hours and will add 55 positions to its billing and collections unit in Tucson during the next year. The additional jobs, which will first be filled internally, will double the size of the unit at 407 W. Congress.

GENERAL - **TETRA Corp**., a vocational rehabilitation center for physically and mentally handicapped in Tucson, has opened a 19,500-square-foot addition to its facilities at 308 W. Glenn St. The 37-year-old organization, initially founded as Homecrafters, provides job training and placement, permanent jobs at the facility, and professional evaluations of interests and abilities. A TETRA spokesperson says it placed 600 people in jobs last year and works with 65 disabled people at a time, but with the expansion will be able to increase its capacity to 100.

50465-1
1/17/90

ARIZONA LABOR MARKET INFORMATION NEWSLETTER

Vol. XIII No. 12
December 1989

Unemployment Rate

Seasonally Adjusted
October*

ARIZONA - 4.9%
Maricopa County - 4.7%
Pima County - 5.2%
UNITED STATES - 5.3%

Consumer Price Index

U.S. - October 1989
Base = 1982-84

Wage Earner/Clerical Worker - 124.2
% Chg. Year Ago - 4.5

All Urban - 125.6
% Chg. Year Ago - 4.5

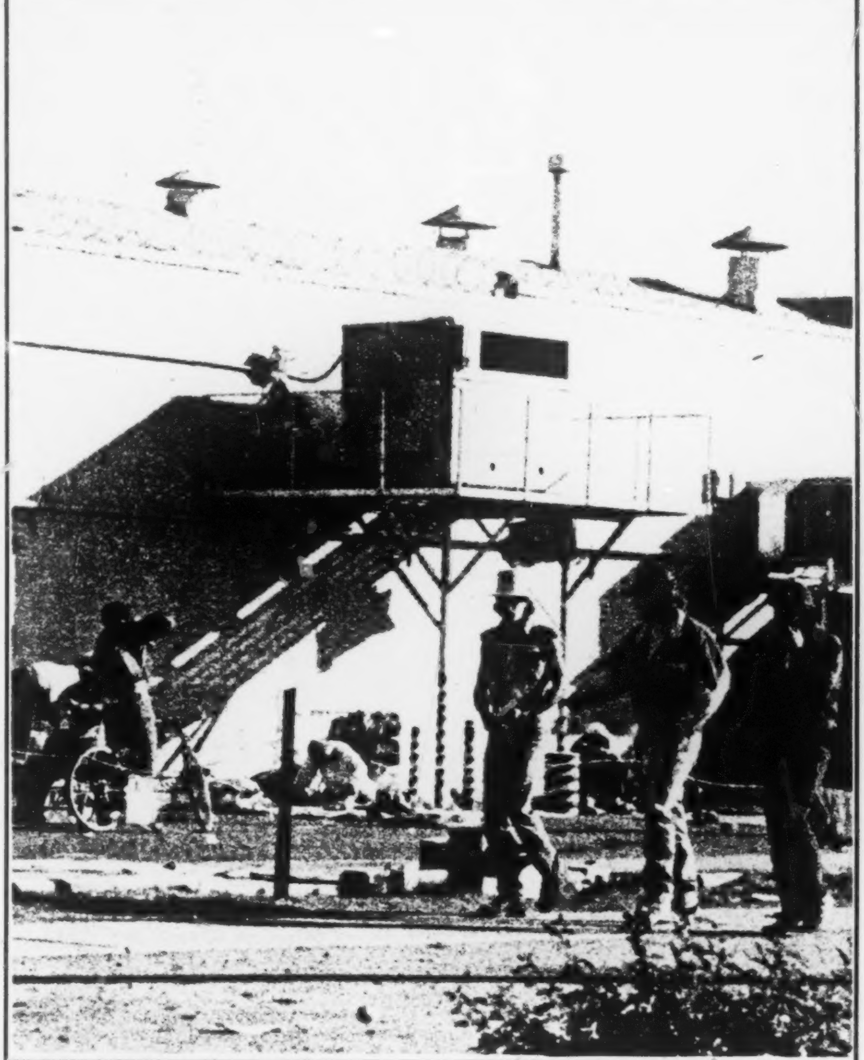
Phoenix - 3rd Qtr 1989
Base = 1982-84

All Urban - 127.0
% Chg. Year Ago - 5.0

Tucson - 3rd Qtr 1989
Base = 1982-84

All Urban - 125.4
% Chg. Year Ago - 3.0

* Preliminary



Inside This Issue

Officials Discuss Issues Affecting Employment of Homeless 2
Programs Provide Homeless Tools for Becoming Self-Sufficient 7
BLS Issues Employment Projections to Year 2000 9
The Arizona Labor Force in October 9
Arizona Labor Force Statistics 8
New Developments 15

Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency

Issues Affecting Employment of Homeless Discussed

Support Services are Key to Finding, Maintaining Jobs, Officials Contend

In this month's issue of the Arizona LMI Newsletter, two articles will focus on the problems associated with helping homeless individuals find jobs and what programs are currently available in the state. The article below gives an overview of the special needs of this segment of society in finding and keeping a job and possible ways to improve the system. A companion story looks at two programs -- one public and one private -- that are being used to help homeless individuals gain employment.

Myth or Reality? Most homeless people are alcoholics or drug addicts.

Myth or Reality? If you offered a homeless person a job, they probably wouldn't take it because most of them are bums and don't want to work.

Myth or Reality? A homeless person can support a family -- with little assistance -- on a minimum-wage job.

Myth or Reality? Finding a job will solve a homeless person's problems.

If you answered "Myth" to all of these statements, you're correct. Because these and other stereotypical remarks commonly made about homeless individuals pigeonhole a population that is as hard to define as to estimate its numbers. Today's homeless person could be someone that needs psychological counseling; a drug or alcohol abuser; an illiterate person; or someone down on their luck, like the Scottsdale architect -- recently drawing media attention by showing up at a shelter -- who was making $35,000 a year, then suddenly lost a job and was unable to make ends meet.

ARIZONA LMI NEWSLETTER
SITE CODE 733A
P.O. BOX 6123
PHOENIX, AZ 85005-6123
(602) 542-3871

Brent Fine, Editor
Linda Van Calcar, Word Processor

"There is no single cause (of homelessness), there are multiple problems -- bad decision-making, alcohol, dysfunctional families," says Paul Sullivan, executive director of the Pima County Re-Entry Program, which specializes in finding jobs for the homeless in the Tucson area.

> *"You can't provide job training unless somebody's got a roof over their head and some food and transportation and clothing."*
>
> *Barbra Chavira-McCluskey*
> *Executive Director,*
> *Arizona Employment and*
> *Training Council*

Cutbacks in entitlement programs and federal housing in the last two decades have contributed another piece to the homeless puzzle, says Terry Cook, a program coordinator with the Department of Economic Security's Community Services Administration (CSA).

In addition, homelessness is not a new phenomenon in this country, only more obvious, says an official with the state Department of Education. "There have always been homeless individuals, but there have never been street people to the magnitude they are today because a homeless adult 15 years ago was not a physically visible person," says the state director for adult education, Dr. Gary Eyre, whose

(Continued on page 3)

(Continued from page 2)

agency has begun focusing on the training needs of the homeless.

Table 1. Strategies for Employing the Homeless, Maricopa Association of Governments[1]

- ✔ Make the homeless a target population for all federal and state job training programs, and provide incentives for JTPA contractors to service the homeless.
- ✔ Assure that Job Service programs (DES, Veterans Administration) are available and accessible to homeless people.
- ✔ Develop creative programs that employ the homeless and establish a casual labor pool operated by a non-profit agency or the state.
- ✔ Encourage employers to hire homeless people for permanent jobs with opportunities for advancement.
- ✔ Ensure emergency and transitional housing is available for homeless people in job training.

1. Condensed from Homeless Task Force of the Maricopa Association of Governments, September 1988.

What these and other public and private officials are saying is that solving the homeless problem is not as simple as getting a job. In most cases, they say, the *key* to helping the homeless find work and keep a job is support services -- health care, affordable housing, counseling, remedial education, and basic skills training. Common problems of the homeless, however, such as addictions, mental illness, illiteracy, or a criminal record, must be dealt with first before the homeless can enter the workforce and be expected to have long-term employment.

"You can't provide job training unless somebody's got a roof over their head and some food and transportation and clothing," says Barbra Chavira-McCluskey, executive director of the Arizona Employment and Training Council, which is responsible for planning, monitoring, and coordinating employment and training programs in the state. "In order to be successful, there must be some other support systems in place before you can ask them to really make it."

Currently, there are no state programs that are set up to deal specifically with finding jobs for the homeless and meeting their other needs, or one agency that is set up to coordinate job training and support service programs. On the county and municipal level, the Pima County ReEntry Program is the only public agency that is coordinating all of the needs of the unemployed homeless.

Maricopa County and the City of Phoenix, for example, offer some services for homeless job seekers through their Job Training Partnership Act (JTPA) providers, but the JTPA programs are not tied in with community service agencies that Maricopa County and Phoenix fund. Most of the time, Maricopa County and Phoenix will send homeless job seekers to non-profit organizations -- e.g., Central Arizona Shelter Services (CASS) or Phoenix South Community Mental Health Center -- for support services and then lose track of their progress.

"We're equipped to work with them (homeless), but our job at JTPA is not to shelter them," says David Lopez, executive director of the Maricopa

(Continued on page 4)

(Continued from page [illegible]

County [illegible] which [illegible] county [illegible] that Mar[illegible] homeless [illegible] agencies [illegible] CASS, and [illegible] $60,000 to A[illegible]

Recent surveys by CSA and the Employment and Training Council point out the current system's deficiencies in meeting the employment needs of Arizona's homeless people -- commonly estimated between 10,000 and 12,000 -- with few community-service agencies and JTPA providers serving the homeless population in terms of job placement.[1]

In the CSA survey, only six of JTPA's 16 Service Delivery Areas (SDAs) reported that any of their job-training providers serviced the homeless during the past year.[2] Pima County reported the largest percentage (about 5 percent) -- due primarily to its ReEntry Program -- while the City of Phoenix' and Maricopa County's JTPA providers only reported serving 105 homeless people out of a potential 6,000 to 8,000.[3]

"The problem is that JTPA was formed as an employment program, not a social services program," says the state support section manager for JTPA, Dave Ellis, who points out that homeless people are just one of several target groups that JTPA supports. "JTPA is beginning to move in terms of social services, not 100 percent, not 50 percent ... That's why you have SDAs to balance their demands." There are 16 SDAs in Arizona -- representing each county, the City of Phoenix, The Navajo Nation, and all other Indian tribes -- that oversee the state's JTPA programs.

Outside of the Pima County ReEntry Program, CASS in Phoenix, with its Project Help, appears to have the only other program in the state that coordinates job-search and support-services programs. New Day, a non-profit organization that operates a housing facility and some support services out of a former motel in Phoenix, is seeking additional funds from the City of Phoenix before it can fully function as a combination shelter/job-search program. For veterans without jobs in Arizona, however, there is good news. Starting in the spring at the Veterans Administration Domiciliary in Prescott, a homeless jobs program with ancillary support services will begin operation with what appears to be long-term funding.

Of all MAG's recommendations, "housing is the key" to getting the homeless population back into the workforce.

Louis Martinez
Employment Services Manager,
CASS' Project Help

Carol Kratz, coordinator of Human Services Planning for the Maricopa Association of Governments (MAG), sees the lack of a single public agency overseeing support services and job development as a major stumbling block in helping the homeless find work. Kratz says that organizations like CASS have gotten into the job-development business "because the existing system simply doesn't respond. They've had to go out and take social service money and plug it into the employment area."

The Employment and Training Council, however, recently proposed to Governor Mofford that an [illegible] task force for

(Continued on page 5)

(Continued from page 4)

the homeless be created under the council. If this short-term measure comes about, one of its functions would be to "pull together" training and support-service programs in the state. "We (the council) want to coordinate and facilitate the process," Chavira-McCluskey says.

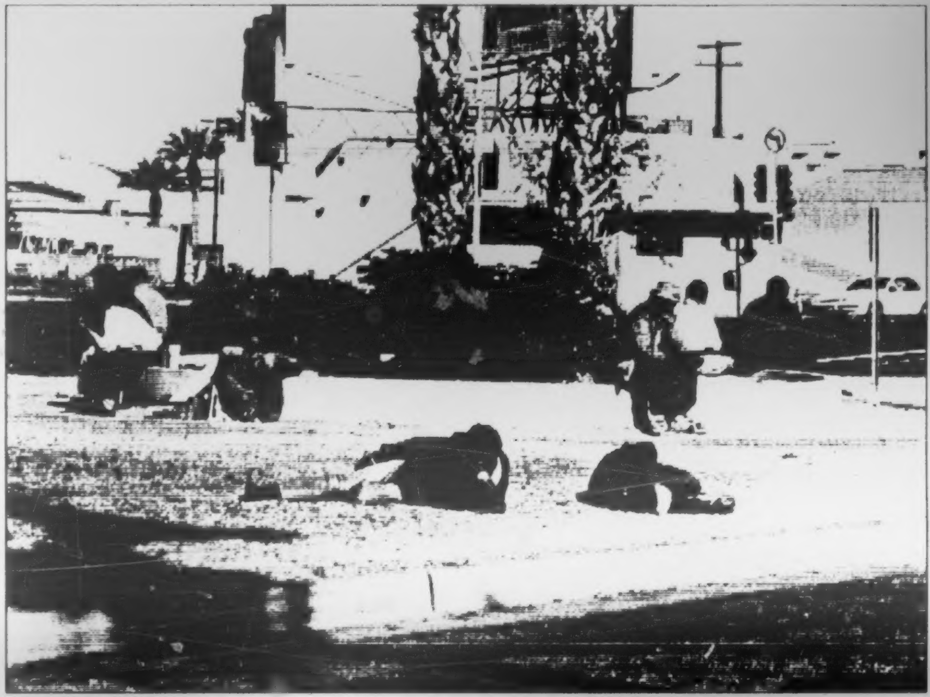


Figure 1. Homeless gather at 7th Avenue and Van Buren Street in Phoenix.

In addition, as a long-term solution the League of Cities and Towns is seeking legislation that would set up a similar office under DES. The office's primary purpose, says Cook, would be to address and provide coordination and assistance to public and private organizations that aid homeless people.

Chavira-McCluskey, Kratz, and Cook believe that one of the major functions of such an office also would be to coordinate federal and other grant applications. This past summer, six public and private organizations in the state applied for grants from the Stewart B. McKinney Homeless Assistance Act to start homeless job training programs. All came up empty (See *Arizona LMI Newsletter*, November 1989), although the Pima County Re-Entry Program was awarded $300,000 in 1988, the first year of the grants.

Besides wanting to ensure the coordination of homeless job programs and community service organizations, as well as grant applications, these three officials believe several other issues must also be addressed, most of which were summarized in a report released in September by MAG's Homeless Task Force. Among its recommendations were to:

* Make the homeless a target population for all federal and state job-training programs, and provide incentives for JTPA contractors to serve homeless individuals.

* Assure that Job Service programs (DES, Veterans Administration) are available and accessible to homeless people.

* Develop creative programs that employ the homeless and establish a casual labor pool operated by a non-profit agency or the state.

(Continued on page 6)

(Continued from page 5)

* Encourage employers to hire homeless people for permanent jobs with opportunities for advancement.

* Ensure emergency and transitional housing is available for homeless people in job training.

The first of the proposals listed above has already been implemented, although its effectiveness has yet to be determined. JTPA now includes the homeless in its "Hard to Serve" category -- along with displaced homemakers, disadvantaged youth and others -- making providers eligible for monetary incentives for serving them. Before now, providers would complain that the homeless were costing them too much to serve, Kratz says.

Perhaps the major barrier holding back homeless persons is the attitudes of employers and the homeless themselves.

Regarding creative programs, Kratz points out that the city of Portland, Ore., several years ago began employing homeless people to clean up a city parking garage. The idea worked so well it eventually led to a group of homeless people forming their own company and contracting with Portland to do maintenance work. Kratz suggests that the homeless could clean up debris around a shelter, which would create employment opportunities and develop skills.

In addition, "another real big gap (in employment for the homeless) is some kind of non-profit labor pool," says Kratz, who points out that many homeless are being "ripped off like crazy" by businesses that get paid $8 or $9 an hour for spot labor jobs and only pay the homeless $3.35 an hour.

Education is one area where the state is trying to make inroads with the homeless, says Eyre. Beginning early next year the state will begin a basic skills literacy program for homeless adults in Yuma where there are an estimated 300 homeless persons.[5]

The class -- which features instruction in basic skills (English and mathematics) and high school equivalency (GED) exam preparation -- will be added to two already in place in Phoenix and Tucson. Students average around 30 hours of classroom instruction, but it varies depending on the needs of the student. "You may get someone who needs to come in and look at building a resume ... and you may get somebody else who is in there for 100 hours who needs to prepare to get a high school equivalency certificate," Eyre says.

The advantage of the program in regards to homeless people, Eyre says, is that the classes are open entry and open exit. "You can come in and stay as long as you want to get your skill level up to where you can get out and get into the labor force," he says.

Of all MAG's recommendations, "housing is the key" to getting the homeless population back into the workforce, says Louis Martinez, employment services manager for CASS' Project Help. Martinez says that subsidized transitional housing is necessary for homeless persons to have a chance of making it, because when homeless people make minimum wage ($3.35) or a little above it's impossible for them to pay $350 or more in rent for an apartment when they're taking home only $600 to $700 a month. "They end up spending more

(Continued on page 19

Project Help, ReEntry Program Lead Way in Helping Homeless Find Light at End of Tunnel

Currently, there are two non-profit organizations in Arizona -- one private and one public -- that coordinate full-service job training/placement programs with support-service programs. Coordination of job training and support services (health care, housing, drug treatment) are the necessary ingredients to helping the homeless find and maintain employment, public and private officials say. Following is an overview of the two full-service programs.

Central Arizona Shelter Services (Project Help)

More commonly known as CASS, this emergency shelter for 700 homeless persons, has been in existence since 1984 at 1209 W. Madison St. in Phoenix.

In March 1987, when CASS determined 40 percent of the shelter's residents were employable, it started Project Help, also known as the Hard to Employ Homeless Program. "CASS' mission is not just to shelter people, but to help them find their way permanently off the street; to reach economic self-sufficiency," CASS' brochure reads.

One advantage of having a job-placement program connected with a shelter is that it immediately overcomes one of the major obstacles a homeless person faces -- housing. CASS provides shelter to men, women and families, as well as day-care service. In addition, guests are given hygiene supplies, shower facilities, food, transportation, referrals for clothing, substance-abuse counseling, medical care, and assistance in obtaining entitlement benefits.

About two-thirds of Project Help's clients -- an average of 100 to 150 a month -- are CASS residents. The other one-third -- made up of homeless, near homeless, or the working poor -- come from other sources (i.e., referrals, walk-ins) and use a variety of Project Help's job-search services. "If you're homeless and you have a limited amount of money, it's quite a dilemma to do a job search," says Project Help Executive Director Louis Martinez, who points out that the cost of newspapers, telephones, and message service that Project Help provides are prohibitive.

Project Help, which has five employees including Martinez, is broken down into three components -- Intake and Assessment, Job Readiness, and Job Development. After someone finds employment, Project Help also offers a Working Persons Program, which provides free transitional housing and other services for CASS residents.

In Intake and Assessment, counselors go over what the program requires of the client and try to weed out any potential problems. Among areas covered are: substance abuse, lack of skills (social, learning), work history, strengths and weaknesses, and immigration identification. If there are any problem areas, clients are referred back to a CASS case manager or to outside agencies; otherwise, clients move on to the next segment.

Project Help Components

— Intake and Assessment

— Job Readiness

— Job Development

The Job Readiness portion of Project Help takes in the basics of preparing for a job interview -- from how to fill out an application to writing a resume, to explaining gaps in employment. "We'll help people reconstruct their job history, make sure they fill in all the blanks on job applications, talk about interview techniques and how to present yourself, even how to explain you're an ex-offender," Martinez says. Project Help also has camcorder equipment to do simulated job interviews, which lets clients view areas where they need to improve.

One requirement of the Job Readiness mode is attending a literacy center three to four hours a week, which can involve either a refresher course in remedial skills or preparation for General Equivalency Diploma (GED) exam. Clients also must fill out an Employability Development Plan, in which

(Continued on page 8)

(Continued from page 7)

barriers to employment are spelled out, along with suggestions for improving those areas. In addition, free haircuts and clothes (if necessary) are provided.

In the final stage of Project Help, called Job Development, the emphasis is on making sure clients are on target as far as honing their job skills and preparing for interviews, as well as having job developers recruit employers in the Phoenix area to hire Project Help clients.

The client portion includes pre-employment counseling, which involves: discussing short- and long-term goals, making sure clients have taken care of some basic needs -- (e.g., obtained a duplicate Social Security card, and received haircut and clothes); checking on whether they are showing up for appointments on time; and giving motivational talks to keep clients upbeat. In addition, clients are provided free telephones, a message service, post office box, and transportation to and from job interviews. Also, a client can be referred out to Job Training Partnership Act (JTPA) providers if they need special technical training.

Job Development also entails two CASS employers spending two half-days a week talking and meeting with employers to encourage them to hire people out of the program, with an emphasis on companies that need skills of Project Help clients.

"After-care" can be as important as job preparation. Once a client obtains a job, Project Help will do 30-, 60- and 90-day follow-ups to make sure clients are still working and check on their performance. Free transportation is also provided until clients receive their first paycheck, and through its Working Person's Program, free housing is provided to CASS residents for an additional six weeks to allow them to save up some money.

The fruits of CASS' labor are evident through their success in placing clients. In October, Project Help placed 40 clients in full-time permanent jobs, which is about the average for a month. CASS has only recently begun keeping statistics on average wages of its placements, but salaries have "run the gamut," says Martinez; from $3.35 an hour for dish washers to $10.35 an hour for a machinist.

Martinez is hopeful that Project Help can expand its services, particularly if it becomes eligible for JTPA funding. One byproduct of that would be not having to completely turn over clients to providers that give technical and on-the-job training, making it "difficult to keep track of people," the Project Help head says.

"CASS has proven itself to be a model for the nation. People come from LA and New York to see how it works," says Martinez, adding, "We're always evaluating our operation ... and always looking for ways to better ourselves."

> *"We have a deal with transitional housing programs. If they'll house them (homeless persons), we'll train them."*
>
> *Paul Sullivan*
> *Program Administrator,*
> *Pima County ReEntry Program*

Pima County ReEntry Program

A division of Pima County Community Services Department, the ReEntry Program has been in operation since 1986, but shifted into high gear in 1988 when it received a $300,000 grant from the Stewart McKinney Homeless Assistance Act. The program, which currently has 11 full-time employees, offers expanded case management, vocational and basic-skills training, on-the-job training, and long-term after-care.

Although, overall, the ReEntry Program and Project Help are set up in a similar fashion, there are some minor differences between the two programs, primarily because the ReEntry Program has a larger budget -- $500,000 compared to $150,000 for Project Help -- and directly funds outside training with its JTPA funding.

Unlike Project Help, which relies heavily on CASS for providing housing for its clients, all of the ReEntry Program's clients come through referrals from community-service or-

(Continued on page 18)

BLS Offers Three Scenarios in Projections to Year 2000

The U.S. Department of Labor's Bureau of Labor Statistics (BLS) has released revised economic and employment projections to the year 2000. The projections, the Bureau's 17th since 1957, are used widely in studying long-range economic and employment trends.

The projections offer three scenarios of trends for the labor force, economic growth, and employment by industry and occupation over the 1988-2000 period. Each scenario employs a specific set of assumptions, including factors such as fiscal policy, demographic changes in the population, exchange rates, and unemployment.

Highlights of the projections include:

- **The labor force reaching 141 million in 2000 despite it growing slower than in the past.**
- **Whites comprising more than two-thirds of the entrants into the labor force, while blacks will make up 13 percent; Hispanics, 15 percent; and Asians and other races, more than 5.5 percent.**
- **An annual rate of real economic growth of 2.3 percent and job growth of 1.2 percent.**
- **Service-producing industries accounting for 18.1 million jobs, with three industries -- retail trade, health services, and business services -- making up half of that total.**
- **Manufacturing employment declining slightly, although factory output will be increasing.**
- **Employment by major occupational groups changing slowly over the period, with the following occupational groups growing the fastest: executive, administrative, and managerial positions; professional speciality jobs; technicians and related support positions; and service jobs.**

Five articles giving an overview of the projections were published in the November 1989 issue of the *Monthly Labor Review*, which can be found at major libraries in the state or purchased through the Government Printing Office in Washington D.C.

The Arizona Labor Force in October

The Arizona unemployment rate dropped sharply to 4.9 percent in October, down from 5.7 percent in September. The number of unemployed declined 15,900 to 83,600 as total employed expanded 15,600.

Although a "gentler, kinder" Arizona economy is suggested by the sharp decline in the unemployed and labor force, the increase in total employed was seasonally normal. The loss in unemployment was about four times the October average since 1982, while the labor force loss of 300 contrasts with an average October gain of 12,600.

Arizona wage and salary employment gained a seasonally normal 18,500 and reached a new peak of 1,463,500. Seasonal gains normally occur in government, transportation, trade, and services in October with the schools' portion of government accounting for most of the increase.

This October, the government share (8,700) of the seasonal gain was about 1,000 higher than would be normally expected with the non-school portion of state and local government accounting for all of the surplus. Elsewhere, transportation was 300 above its seasonal average; services 400 higher than normal; and trade, 200 below its seasonal mark.

Improvement in the Arizona economy is being carried forward by the services-producing businesses despite a languishing goods-producing sector. Arizona service-producers employment grew 4.1 percent (45,600 jobs) in October, while nationally, service job growth was 3.2 percent.

(Continued on page 14)

Arizona Labor Force and Employment

October 1989 (in thousands)

	ARIZONA				
				Amount Change	
	Oct.* 1989	Sep. 1989	Oct. 1988	Sep.- Oct.	1988- 1989
TOTAL CIVILIAN LABOR FORCE**	1705.1	1705.4	1691.4	-0.3	+13.7
Total Unemployment	83.6	99.5	110.1	-15.9	-26.5
Rate	4.9	5.8	6.5	----	----
Rate (Sea. Adj.)***	4.9	5.7	6.5	----	----
Total Employment	1621.5	1605.9	1581.3	+15.6	+40.2

The Above Labor Force Statistics Sho

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

TOTAL WAGE AND SALARY	1463.5	1445.0	1421.6	+18.5	+41.9
Manufacturing	190.1	189.9	190.8	+0.2	-0.7
Durable Goods	144.3	144.3	146.9	+0.0	-2.6
Stone, Clay, and Glass	7.7	7.7	7.6	+0.0	+0.1
Primary and Fabricated Metals	16.0	15.8	15.8	+0.2	+0.2
Primary Metals	7.4	7.3	7.5	+0.1	-0.1
Fabricated Metals	8.6	8.5	8.3	+0.1	+0.3
Machinery	62.4	62.6	66.4	-0.2	-4.0
Other Durable Goods	58.2	58.2	57.1	+0.0	+1.1
Aircraft and Missiles	25.9	26.0	26.2	-0.1	-0.3
Lumber and Wood Product (Excluding Furniture)	8.5	8.6	8.4	-0.1	+0.1
All Other Durable Goods	23.8	23.6	22.5	+0.2	+1.3
Nondurable Goods	45.8	45.6	43.9	+0.2	+1.9
Food and Kindred Products	10.0	9.9	9.4	+0.1	+0.6
Apparel	4.7	4.6	4.5	+0.1	+0.2
Printing and Publishing	17.0	16.9	16.7	+0.1	+0.3
All Other Nondurable Goods	14.1	14.2	13.3	-0.1	+0.8
Mining and Quarrying	12.1	12.2	12.0	-0.1	+0.1
Copper Mining	9.1	9.2	8.8	-0.1	+0.3
Other Mining and Quarrying	3.0	3.0	3.2	+0.0	-0.2
Construction	91.7	92.3	94.8	-0.6	-3.1
Trans., Communications, & Public Utilities	73.9	73.2	72.1	+0.7	+1.8
Transportation	39.3	38.6	36.4	+0.7	+2.9
Communications and Public Utilities	34.6	34.6	35.7	+0.0	-1.1
Trade	365.6	360.6	348.2	+5.0	+17.4
Wholesale Trade	70.5	69.8	67.4	+0.7	+3.1
Retail Trade	295.1	290.8	280.8	+4.3	+14.3
General Merchandise and Apparel	46.0	45.0	43.6	+1.0	+2.4
Food Stores	49.5	48.4	47.0	+1.1	+2.5
Automotive and Service Stations	35.7	35.9	34.0	-0.2	+1.7
Eating and Drinking Places	101.7	100.9	97.9	+0.8	+3.8
Other Retail Trade	62.2	60.6	58.3	+1.6	+3.9
Finance, Insurance, and Real Estate	92.6	92.5	92.1	+0.1	+0.5
Services and Miscellaneous	375.8	371.3	361.1	+4.5	+14.7
Hotels and Other Lodging Places	43.3	42.1	41.1	+1.2	+2.2
Business Services	78.7	78.2	76.8	+0.5	+1.9
Health Services	93.6	93.1	91.2	+0.5	+2.4
Other Services	160.2	157.9	152.0	+2.3	+8.2
Government	261.7	253.0	250.5	+8.7	+11.2
Federal	44.9	45.0	43.9	-0.1	+1.0
State and Local	216.8	208.0	206.6	+8.8	+10.2
School	124.0	116.7	118.9	+7.3	+5.1

* Preliminary

** Labor force, unemployment, and employment are reported by place of residence.

*** Normal seasonal variations have been eliminated to reflect underlying economic trends.

Arizona Labor Force and Employment

October 1989 (in thousands)

MARICOPA COUNTY					PIMA COUNTY				
			Amount Change					Amount Change	
Oct.* 1989	Sep. 1989	Oct. 1988	Sep.- Oct.	1988- 1989	Oct.* 1989	Sep. 1989	Oct. 1988	Sep.- Oct.	1988- 1989
1055.9	1055.8	1047.1	+0.1	+8.8	320.2	321.6	319.3	-1.4	+0.9
43.8	51.2	56.9	-7.4	-13.1	13.8	17.0	17.2	-3.2	-3.4
4.1	4.8	5.4	---	---	4.3	5.3	5.4	---	---
4.1	4.7	5.4	---	---	4.3	5.2	5.3	---	---
1012.1	1004.6	990.2	+7.5	+21.9	306.4	304.6	302.1	+1.8	+4.3

e Used for Economic Assistance Programs

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

961.4	948.6	934.9	+12.8	+26.5	254.2	250.9	249.3	+3.3	+4.9
139.7	139.8	138.9	-0.1	+0.8	28.1	28.0	30.2	+0.1	-2.1
107.7	107.8	108.2	-0.1	-0.5	22.2	22.2	24.4	+0.0	-2.2
4.8	4.9	5.1	-0.1	-0.3					
10.6	10.5	10.4	+0.1	+0.2					
51.5	51.7	53.0	-0.2	-1.5					
40.8	40.7	39.7	+0.1	+1.1					
32.0	32.0	30.7	+0.0	+1.3	5.9	5.8	5.8	+0.1	+0.1
6.4	6.4	6.0	+0.0	+0.4					
3.6	3.5	3.3	+0.1	+0.3					
11.9	11.9	11.8	+0.0	+0.1					
10.1	10.2	9.6	-0.1	+0.5					
0.9	0.9	0.7	+0.0	+0.2	2.1	2.1	1.9	+0.0	+0.2
61.5	61.8	65.1	-0.3	-3.6	16.3	16.5	17.0	-0.2	-0.7
51.7	51.1	50.2	+0.6	+1.5	9.5	9.5	8.9	+0.0	+0.6
28.8	28.3	26.8	+0.5	+2.0	4.9	4.9	4.5	+0.0	+0.4
22.9	22.8	23.4	+0.1	-0.5	4.6	4.6	4.4	+0.0	+0.2
246.0	241.9	235.5	+4.1	+10.5	60.4	59.8	57.2	+0.6	+3.2
57.0	56.4	54.2	+0.6	+2.8	7.3	7.4	6.9	-0.1	+0.4
189.0	185.5	181.3	+3.5	+7.7	53.1	52.4	50.3	+0.7	+2.8
28.4	27.8	27.5	+0.6	+0.9	7.6	7.5	7.5	+0.1	+0.1
32.1	31.3	30.4	+0.8	+1.7	8.2	8.0	8.1	+0.2	+0.1
22.8	23.0	21.4	-0.2	+1.4	5.6	5.6	5.6	+0.0	+0.0
64.8	63.8	62.8	+1.0	+2.0	18.7	18.6	18.1	+0.1	+0.6
40.9	39.6	39.2	+1.3	+1.7	13.0	12.7	11.0	+0.3	+2.0
74.0	73.8	73.4	+0.2	+0.6	11.5	11.6	12.0	-0.1	-0.5
252.7	248.6	243.3	+4.1	+9.4	70.5	69.8	67.8	+0.7	+2.7
25.8	24.6	24.0	+1.2	+1.8	6.8	6.5	6.8	+0.3	+0.0
61.3	60.9	60.2	+0.4	+1.1	11.8	11.9	11.5	-0.1	+0.3
60.5	60.1	59.7	+0.4	+0.8	20.3	20.2	19.3	+0.1	+1.0
105.1	103.0	99.4	+2.1	+5.7	31.6	31.2	30.2	+0.4	+1.4
134.9	130.7	127.8	+4.2	+7.1	55.8	53.6	54.3	+2.2	+1.5

NOTE: Prepared by the Arizona Department of Economic Security, Research Administration, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Nonmetropolitan Counties Labor Force and Employment October 1989

	Apache	Cochise	Coco-nino	Gila	Graham	Green-lee	La Paz
CIVILIAN LABOR FORCE*	14,725	35,875	45,350	12,775	9,200	2,900	5,725
Total Unemployment	1,625	2,000	2,600	1,100	650	225	375
Rate	11.0%	5.6%	5.7%	8.6%	7.1%	7.8%	6.6%
Rate (Seas. Adj.)**	12.4%	5.8%	6.4%	8.9%	7.1%	7.1%	6.3%
Total Employment	13,100	33,875	42,750	11,675	8,550	2,675	5,350

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

	Apache	Cochise	Coco-nino	Gila	Graham	Green-lee	La Paz
TOTAL WAGE AND SALARY	15,200	26,200	41,975	10,975	5,875	2,800	3,775
Manufacturing	950	1,250	3,225	1,325	200	50	375
Mining & Quarrying	50	150	150	1,275	0	1,575	75
Construction	1,000	850	2,200	600	225	125	200
T.C.P.U.	1,625	1,650	2,250	375	150	50	75
Trade	1,600	5,950	9,900	2,375	1,475	226	1,200
F.I.R.E.	350	675	875	300	100	25	100
Services & Misc.	4,350	4,925	10,775	2,075	975	125	900
Government	5,275	10,750	12,600	2,650	2,750	625	850

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	34,025	27,500	39,425	11,350	39,050	51,200
Total Unemployment	1,650	2,200	2,500	1,725	1,950	7,450
Rate	4.8%	8.0%	6.3%	15.2%	5.0%	14.6%
Rate (Seas. Adj.)**	5.0%	8.8%	6.8%	11.8%	5.3%	16.9%
Total Employment	32,375	25,300	36,925	9,625	37,100	43,750

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
TOTAL WAGE AND SALARY	23,750	21,350	31,125	10,100	26,800	28,175
Manufacturing	2,650	1,975	4,325	1,350	2,425	2,225
Mining & Quarrying	150	1,175	3,650	0	825	50
Construction	2,150	1,200	1,300	350	2,225	1,450
T.C.P.U.	1,200	1,800	950	575	1,050	1,050
Trade	7,300	4,175	5,675	3,900	7,300	8,200
F.I.R.E.	1,150	400	825	300	1,025	975
Services & Misc.	5,325	4,875	4,050	1,750	6,200	6,250
Government	3,825	5,750	10,350	1,875	5,750	7,975

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities
F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Estimated Hours and Earnings of Production Workers in Selected Industries
Arizona

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Oct.* 1989	Sep. 1989	Oct. 1988	Oct.* 1989	Sep. 1989	Oct. 1988	Oct.* 1989	Sep. 1989	Oct. 1988
Manufacturing	409.70	416.33	405.14	41.3	41.8	40.8	9.92	9.96	9.93
Aircraft & Missiles	612.67	615.44	INA	44.3	44.5	INA	13.83	13.83	INA
Food & Kindred Prod.	336.07	343.00	325.54	40.2	40.4	39.7	8.36	8.49	8.20
Primary Metals	485.81	499.38	511.73	37.0	36.8	39.7	13.13	13.57	12.89
Machinery	381.68	388.49	404.81	39.8	40.3	40.2	9.59	9.64	10.07
Copper Mining	575.07	588.74	537.43	43.5	44.5	41.5	13.22	13.23	12.95
Construction	440.63	435.49	411.09	37.5	37.0	35.5	11.75	11.77	11.58
Utilities	744.76	720.76	654.80	43.3	44.3	42.3	17.20	16.27	15.48
Retail Trade**	250.37	256.95	245.25	32.9	33.5	32.7	7.61	7.67	7.50
Wholesale Trade	389.22	374.36	384.52	39.0	38.2	39.6	9.98	9.80	9.71

Estimated Hours and Earnings of Production Workers in Selected Industries
Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Oct.* 1989	Sep. 1989	Oct. 1988	Oct.* 1989	Sep. 1989	Oct. 1988	Oct.* 1989	Sep. 1989	Oct. 1988
Manufacturing	434.89	436.35	428.86	42.1	42.2	41.0	10.33	10.34	10.46
Construction	458.25	456.93	426.36	37.5	37.3	35.5	12.22	12.25	12.01
Retail Trade**	265.44	270.27	270.68	33.6	33.7	33.5	7.90	8.02	8.08
Wolesale Trade	406.85	391.55	404.40	39.5	38.5	40.0	10.30	10.17	10.11

Estimated Hours and Earnings of Production Workers in Selected Industries
Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Oct.* 1989	Sep. 1989	Oct. 1988	Oct.* 1989	Sep. 1989	Oct. 1988	Oct.* 1989	Sep. 1989	Oct. 1988
Manufacturing	366.34	363.47	380.56	38.4	38.1	39.6	9.54	9.54	9.61
Copper Mining	616.94	650.31	609.44	43.6	45.7	43.5	14.15	14.23	14.01
Construction	384.27	384.16	369.96	37.6	37.7	36.2	10.22	10.19	10.22
Utilities	582.09	585.33	578.10	38.6	39.1	41.5	15.08	14.97	13.93

* Preliminary.

** Excudes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs
October 1989

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,705,154	1,621,543	83,611	4.9%
Apache	14,711	13,098	1,613	11.0
Cochise	35,869	33,874	1,995	5.6
Coconino	45,329	42,740	2,589	5.7
Gila	12,790	11,679	1,111	8.7
Graham	9,205	8,548	657	7.1
Greenlee	2,888	2,666	222	7.7
La Paz	5,729	5,361	368	6.4
Maricopa	1,055,837	1,012,059	43,778	4.1
Mohave	34,032	32,381	1,651	4.9
Navajo	27,519	25,311	2,208	8.0
Pima	320,222	306,423	13,799	4.3
Pinal	39,428	36,929	2,499	6.3
Santa Cruz	11,345	9,619	1,726	15.2
Yavapai	39,048	37,102	1,946	5.0
Yuma	51,202	43,752	7,450	14.6

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

The Arizona Labor Force in October

(Continued from page 9)

In the state's goods-producing industries (manufacturing, mining, and construction), however, over-the-year employment change to October was down 1.2 percent (3,700 jobs). This occurred, despite the fact Arizona's six northern counties (Apache, Navajo, Coconino, Yavapai, Mohave, and La Paz) combined had goods-producer growth of 7.4 percent, or 1,600 jobs.

Among the goods-producers, Arizona manufacturers added only 200 jobs in October and remain down 700 over-the-year and 1,000 from their peak in September 1988. Primary and fabricated metals manufacturing contributed to the net gain as did nondurable goods manufacturing.

Construction continued its downward trend (600 loss), but two-thirds of that is seasonally normal. Some construction improvement should come early in 1990 if interest rates continue to decline as expected over the next few months. Construction was down 3,100 over-the-year, and 25,600 from the June 1986 peak.

As the winter tourism season begins, strength is expected in transportation, trade, and services. And the year is likely to end stronger than economic events in early 1989 had indicated.

–Ron Simon
RA Economic Analysis Manager

New Developments

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the Arizona LMI Newsletter is not responsible for incorrect information reported by these sources.

MANUFACTURING -- **Rymer Foods Inc**. is expected to employ 850 people when it opens a 60,000-square-foot chicken-processing and distribution plant in Goodyear next August. The Chicago-based manufacturer has been serving its West Cost and Southwest customers through a plant in Arkansas. The Goodyear Industrial Development Authority approved $6.5 million in bonds to finance the plant, which will be located at Yuma and Bullard roads.

Fifty to 75 employees, primarily technicians, are expected to be hired by **Space Data Corp**. of Tempe due to its winning of a $25 million contract for work on the Strategic Defense Initiative (SDI) project. At its new Chandler facility that opens in January, Space Data will manufacture up to 20 suborbital vehicles that will provide space-flight testing of advanced sensor and interceptor technologies.

Mulay Plastics, which produces custom-injected moldings for various consumer-oriented and business products, is locating a 100,000-square-foot plant in Casa Grande. The facility, which will be used for Mulay's western U.S. market, is expected to employ 100.

Shape West, a Tucson manufacturer of floppy disks and data-storage cartridges, is laying off 125 employees in January. A combination of tough competition and the loss of a major client are blamed for the reductions. No current figures are available on Shape West's employment, which was reported at 337 full-time equivalents in January 1989.

Needing more elbow room to produce its macaroni and other pasta products, **Borden Inc**. announced it plans to expand its 250,000-square-foot plant in Tolleson in late 1991 or early 1992. Currently, the facility has six shifts and employs 140 people for producing macaroni, spaghetti and noodles under the brands of Creamette, Globe A-1 and Anthony's. Borden has given no details on the size of the enlargement or what effect it will have on employment.

Garrett General Aviation Services plans to move into a $31 million three-building complex at **Phoenix Sky Harbor Center** by mid-1991. The move is part of a corporate consolidation of Garrett's 10 Valley locations, which will lead to at least the doubling of its current 1,100 workforce during the next five years, with the possibility of employment reaching 4,300. Koll Development of Newport Beach, Calif., is developing the project.

Tucson-based **Burr-Brown Corp**., which manufactures semiconductor-related devices, has laid off 104 of its 1,200 employees due to slow sales. A 60 percent reduction in capital spending is also planned.

Three Los Angeles-area manufacturers, which have a potential of generating 500 to 600 jobs and paying wages from $6 to $30 an hour, are considering moving to **Prescott**. The three companies, whose employment would bolster the Yavapai County manufacturing workforce by 25 percent, are: **Seating Products Industries**, which makes seat-

(Continued on page 16)

(Continued from page 15)

ing and interiors for restaurants (250 to 300 jobs); **Kimstock Inc.**, which produces fiberglass bathtubs and shower stalls (200 jobs); and **Grand Rapids Zimmerla**, which manufactures cabinets and fixtures for department stores (60 to 80 jobs). If the three companies make the move, they could be operational in six to 18 months.

Tucson-based **Vega Biotechnologies**, has laid off 15 of 18 employees at its bulk-chemical plant in order to conserve cash for its other business -- manufacturing synthesizers that create peptides and DNA (deoxyribonucleic acid). Company officials are hopeful the layoffs are only a temporary measure.

CONSTRUCTION -- An **Albertson's**, **Marshall's**, and **Circuit City** will be the primary tenants in **Westridge Festival**, a 220,000-square-foot shopping center under construction on the southeast corner of 75th Avenue and Thomas Road. Work on the shopping center, which is 70 percent pre-leased, is expected to be completed by spring of 1990.

The northwest corner of Ray Road and Interstate 10 will be the site of the first sizeable community shopping center -- **Foothills Park Place** -- in the South Mountain Park area. Construction on the 28-acre site by LandGrant Development of San Diego is expected to begin early this year and include a 63,000-square foot **Albertson's**.

FINANCE, INSURANCE and REAL ESTATE -- **Pima Savings & Loan Association** of Tucson is reducing its staff by 110 jobs (15 percent) by the end of January. Employees at all levels will be affected, company officials say.

The takeover of **Derrick Industries** of Scottsdale by **Tau Ceti Inc.** of Norfolk, Vir., will result in a gain of 100 jobs for the Valley. Derrick Industries will now become a holding company for four units, including its primary business of Derrick Petroleum, an oil and gas-production firm operating in Kansas and West Virginia.

Several retail stores in the **Mercado**, a shopping complex in downtown Phoenix designed to look like a Mexican village, have opened for business. A joint development of the **Symington Co.**, **and Chicanos por la Causa** -- a group that aids disadvantaged individuals, principally Mexican-Americans -- is building the project, which has taken longer than expected to completely open.

A 9,000-square-foot **Newberry** store has opened at 7465 W. Cactus Road in Peoria. The five-and-dime department store will serve Peoria, Sun City, and parts of Glendale.

SERVICES AND MISCELLANEOUS - "Jerry and his kids" are staying in Las Vegas, but the rest of the **Muscular Dystrophy Association** (MDA) is relocating from New York to Tucson, bringing not only 150 employees but hotel revenue from 5,000 rooms booked a year for various conventions. Incentives from the state, Pima County and other agencies worth at least $3 million will help offset MDA's relocation expenses, including a 60,000-square-foot headquarters planned for an undetermined site.

Ace Hardware Corp. is studying four sites in Arizona -- two in Casa Grande, one in Goodyear, and one in Prescott Valley -- for a distribution warehouse to service its dealers in Arizona, and parts of Utah, New Mexico, and California. The 450,000-square-foot warehouse on 25 acres would employ about 100 people.

Marriott Corp. is expected to build three **Residence Inns of America** in

(Continued on page 17)

(Continued from page 16)

Arizona, adding to its two current properties in Tucson and Phoenix. Construction will get under way on hotels in Tempe (Baseline Road and Darrow Drive) and Scottsdale (Scottsdale Road and McDonald Drive) early in 1990 and open seven to eight months later, but no timetable has been set for the building of a hotel in Flagstaff.

Phoenix-based **Circle K Corp**. plans to close an undetermined number of convenience stores and sell other assets in a major restructuring move, the company announced. The second-largest owner of mini-markets in the country -- nearly 4,700 --, Circle K has been hurt by increased competition and large debt from explosive expansion.

Humana Hospital Desert Valley, 3929 E. Bell Road, is planning a $12 million expansion of its 140-bed facility, calling for an additional 40,000 square feet. Construction, which will begin this summer, is expected to be completed in 1993.

A Florida chain, which touts a cholesterol-free, low-sodium pizza, is planning to open six 1,200-square-foot franchises in Arizona by the end of 1990. **Pizza Miracle** also claims its pizzas contain less fat and are high in fiber.

American Airlines is considering Tucson as a possible location for a reservation center currently based in Los Angeles. The 900-employee center is one of five that American operates and is expected to be expanded to about 1,100 employees when the move is made.

Thomas-Davis Medical Center Inc. P.C. of Tucson is planning to open clinics in Ahwatukee and Chandler in 1990. Thomas-Davis, which has 85 employees at a clinic in Tempe, expects employment at the new facilities could reach 150 by 1993.

TRANSPORTATION, COMMUNICATIONS AND PUBLIC UTILITIES (TCPU) -- **Pinnacle West Corp**., parent company of Arizona Public Service Co. and MeraBank, has spurned a $3.8 billion takeover offer by Portland, Ore.-based PacificCorp, which owns several utilities in the Northwest. Pinnacle West Corp. has had to suspend its dividends to offset large losses by MeraBank, which has been hurt by the poor Arizona real estate market.

Inter-Tel Inc. of Chandler says a renewed contract between its subsidiary, Inter-Tel Equipment Inc., and Premier Telecom Products Inc. of Kansas City, will provide $34 million in revenues during the next 16 months. Inter-Tel will provide communications software and other business-communication systems to Premier.

TRADE - Phoenix-based **El Pollo Asado** has filed for protection under Chapter 11 of the U.S. Bankruptcy Code and closed five Valley and three Denver company-owned stores. The move should not affect its 25 franchises in Arizona, California, Nevada, and Rhode Island, says the company, which plans to come back from Chapter 11 in the next nine months.

The second phase of the $150 million renovation of **Scottsdale Fashion Square**, Scottsdale and Camelback roads, has opened for business. The addition includes a three-story Palm Court -- with an all-glass, retractable skylight --, 30 new stores, and a 2,250-vehicle covered parking garage.

Phoenix is high in the running to become the corporate home of **General Nutrition Inc**., a Pittsburgh-based company that owns 1,100 nutrition-supplement stores throughout the country. A total of $3.5 million in incentives is being used to lure the company.

Phoenix, Tucson Programs Provide Unemployed Homeless Tools for Becoming Self Suff[illegible]

(Continued [illegible]

ganiza[illegible] shelter [illegible] Army, [illegible] Aid. "We have [illegible] transitional housing programs," says ReEntry Program Administrator Paul Sullivan, "if they'll house them, we'll train them."

Secondly, whereas Project Help provides some basic skills classes, the ReEntry Program has [illegible] well, but goes a step further by [illegible] for additional tech[illegible] training at places such as the Pima Skills Center.

In addition, the ReEntry has the ability to set up on-the-job training (OJT). About 60 clients in the year ending October 1989 -- about one-sixth of its [illegible]42 clients -- received OJTs, with the intent [illegible] their skill level. "We can't [illegible] everybody who needs it. We offer it to those who we think have the greatest chance of success," says Sullivan.

F[illegible] employees [illegible] actually w[illegible]k for other local agencies -- Travelers Aid; DES; and Project SARE, a local job training organization. This allows for easier coordination.

In the first phase of the ReEntry program, a case manager screens a client to check for problems (mental, economic, social). If the problems appear too severe, then a client is referred for outside help, but "most of the time it really becomes a question, 'Do they want to buy into the system that we have?'" Sullivan says. "If they say 'Yes,' then we schedule them for the next class."

[illegible] the client begins training sessions for a week which cover: social issues (self-esteem, how to dress and look); and basic-skills development, which includes academic testing and writing a resume. At this time, a job counselor also helps the client choose and prioritize three types of jobs the client would like to seek.

In the final job-[illegible], a client meets with a [illegible] is given vouchers for [illegible] clothes, and other mis[illegible]. Then, the client begins [illegible]ected job search -- whi[illegible] weeks -- that primaril[illegible] bank to call pre-sele[illegible] this point, clients may [illegible] special training, [illegible] development.

While this is going on, [illegible] case managers continue to meet with [illegible] on a regular basis and "identify [illegible] problems that emerge [illegible]" Sullivan says. [illegible] additional [illegible] help. But if [illegible] asked to lea[illegible]

[illegible] free housing [illegible] single [illegible]

In addition, the Pima County program has been able to find subsidized housing for about 50 percent of its clients for up to six months. "It's a real good deal for them. Not only can they get the ability to stay some place at a reasonable rate, but they can continue case management services," Sullivan says.

Sullivan says statistics bear out the success of the ReEntry Program. The program administrator says 67 percent of its clients in the past fiscal year were placed in full-time (40-hour) permanent jobs with an average wage of $4.97 an hour.

—Brent Fine
[illegible]

[illegible] available by calling: Pima County ReEntry Program - (602) 882-5500; Project Help - (602) 252-8405. Information on two other programs helping the homeless find jobs is available by calling: New Day - (602) 991-4593; Veterans Administration Domicilary - (602) 445-4860.

Officials Debunk Myths Regarding Employment of Homeless

(Continued from page 6)

like 50 to 70 percent of income on just housing. That leaves them with no room for any level of emergency," Martinez says.

CASS [illegible] Partnership, Travelers Aid, Primavera Foundation -- for a period of six to [illegible] year, for up to three years, 10 percent of HUD resales on the market, then buy the property at a discount.

The amount of money needed for housing often leads into the issue of pay, which affects not only the homeless, but also a group called the "working poor" (See *Arizona LMI Newsletter*, November 1989). One question that frequently arises regarding pay is whether a homeless person should take a minimum-wage job -- particularly someone with a family -- if that person [illegible] and [illegible]

Martinez wrestles with the question, but thinks that with proper support services, the answer is "yes." "I'm hard pressed to argue the point that somebody should not take a $4-an-hour job, simply because $4 an hour is more than $0 an hour," Martinez says.

Perhaps the major barrier holding back the homeless is the attitudes of employers and the homeless themselves. Often employers are reluctant to take a risk on somebody who hasn't been working for six months, says Martinez, because they believe there must a reason for someone else not wanting to [illegible] even though their ego may be hurt -- because it eliminates a gap in employment history and "makes it easier to find a job when you have a job."

[illegible] of [illegible]

[illegible]

2. Survey on Services to People Who are Homeless, Arizona Employment and Training Council, October 1989.

3. Ibid.

4. No DES officials have recommended a casual labor pool.

5. Survey on Services to People Who are Homeless, Arizona Employment and Training Council, October 1989.

6. CASS also provides free housing through its Working Persons Program.

--Brent Fine
Arizona LMI Newsletter Editor

ReEntry Program Receives DOL Funds

The U.S. Department of Labor (DOL) has awarded the Pima County ReEntry Program $300,000 from Stewart B. McKinney Homeless Assistance Act funds for Fiscal Year 1990. DOL initially did not include the ReEntry Program among 19 winning applicants, but then decided to fund six programs that received awards in Fiscal Year 1989.

S0465-1
2/28/90

ARIZONA LABOR MARKET INFORMATION

NEWSLETTER

Vol. XIV No. 1
January 1990

Unemployment Rate

Seasonally Adjusted
November*

ARIZONA – 4.7%
Maricopa Co. – 3.9
Pima Co. – 3.6
United States – 5.4

Consumer Price Index

U.S. – November 1989
Base = 1982-84

Wage Earner/Clerical Worker – 124.4
% Chg. Year Ago – 4.5

All Urban – 125.9
% Chg. Year Ago – 4.7

Phoenix – 4th Qtr 1989
Base = 1982-84

All Urban – 127.8
% Chg. Year Ago – 4.3

Tucson – 4th Qtr 1989
Base = 1982-84

All Urban – 128.8
% Chg. Year Ago – 3.6

* Preliminary

Raising the Minimum

New Base Wage Set to Take Effect in April

Inside This Issue

Minimum Wage to Affect 4 Million in U.S. 2
"Labor Surplus" Areas in Arizona Designated 4
Annual CPI Change Reaches Highest Level in 8 Years 5
Arizona Enterprise Zone Program Gets Under Way 6
Federal Government Extends Tax-Credit Program 6
The Arizona Labor Force in November 7
New Developments 13
Index to 1989 LMI Newsletter Issues 15

Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency

Minimum-Wage Increase Expected to Affect 4 Million

Hourly Rate Rises to $3.80 in April, $4.25 Year Later; State Impact Uncertain

In late November, President Bush signed into a law a bill that will raise the minimum wage for about 4 million American workers from $3.35 an hour to $4.25 an hour by April 1991 and create a "training wage" for up to six months for new workers who are 16 to 19 years old.

The compromise legislation, which increased the minimum wage for the first time since 1981, ended a battle between the President and factions of Congress that had sought a higher base wage. Bush vetoed a bill earlier in 1989 to raise the minimum wage to $4.65 an hour.

Under the new law, the minimum wage will increase 45 cents to $3.80 an hour next April, then go to $4.25 an hour a year later. The subminimum-wage provision will allow employers to pay 16 to 19 year olds 85 percent of the prevailing minimum wage -- $3.23 in April 1990; $3.61 in April 1991 -- for their first three months on the job, and an additional three months if they are receiving formal training.

Employers will have to certify to the U.S. Labor Department that they are providing skills training in order to pay the subminimum wage to workers with three- to six-months experience. Workers 20 years old and up or with six months of experience will not be affected by the training wage.

ARIZONA LMI NEWSLETTER
SITE CODE 733A
P.O. BOX 6123
PHOENIX, AZ 85005-6123
(602) 542-3871

Brent Fine, Editor
Linda Van Calcar, Word Processor

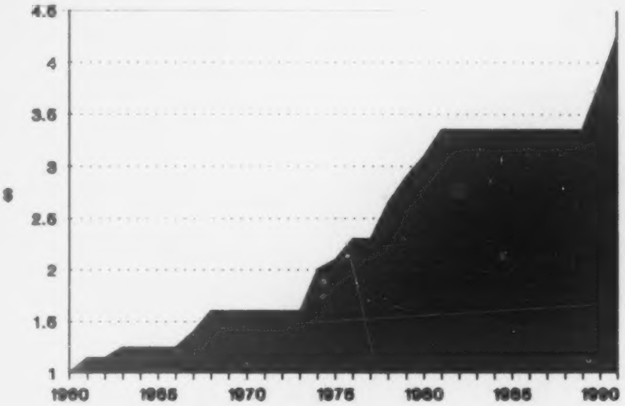


Figure 1. U.S. Minimum Wage, 1960-1990

As under the current law, certain jobs are exempted from the new legislation, which is part of the Fair Labor Standards Act. Included among these are: employees of small businesses with gross sales less than $500,000 (up from the current $362,500), some farm workers, casual baby sitters, newspaper delivery workers, and amusement park employees.

Workers who receive tips presently must be paid at least 40 percent of the minimum wage if the tips bring the hourly pay up to the minimum. Under the new law, those employees must receive at least 45 percent of the minimum wage next April and 50 percent by April 1991.

Congressional researchers have estimated that two-thirds of workers affected by the bill will be women, of which 25 to 33 percent of them are heads of households. In Arizona, an estimated 94,000 people work full time at minimum wage or below, while 40,000 to 60,000 workers in the state are expected to be affected by the increased base wage.

(Continued on page 3)

(Continued from page 2)

Prior to the bill's passage, 11 states with their own minimum-wage laws had higher base wages than the current $3.35 an hour, with some states already at $4.25 an hour. Arizona does not have a separate minimum-wage law, and thus will follow the federal provisions.

Critics of the 15 percent hike in the minimum wage say that fewer jobs will be created and unemployment will rise due to higher labor costs and loss of productivity. In turn, they say, increased costs will lead to higher prices for consumers.

Table 1. Values of Minimum Wage, 1960-1989

Year	Current Dollars	1989 Dollars[1]	Percent of Poverty Line Family of 3	Percent of Avg. Nonsupervisory Wage
1960	$1.00	$4.19	88.2%	47.8%
1961	1.15	4.77	100.4	53.7
1962	1.15	4.71	98.2	51.8
1963	1.25	5.06	105.1	54.8
1964	1.25	5.00	107.7	53.0
1965	1.25	4.91	103.4	50.8
1966	1.25	4.78	100.0	48.8
1967	1.40	5.20	108.4	52.2
1968	1.60	5.70	120.0	56.1
1969	1.60	5.41	113.8	52.6
1970	1.60	5.11	107.4	49.5
1971	1.60	4.90	103.1	46.4
1972	1.60	4.74	99.7	43.2
1973	1.60	4.46	93.8	40.8
1974	2.00	5.03	105.7	47.2
1975	2.10	4.84	101.7	46.4
1976	2.30	5.01	106.4	47.3
1977	2.30	4.71	99.0	43.6
1978	2.65	5.04	106.0	46.6
1979	2.90	4.95	104.3	47.1
1980	3.10	4.67	98.2	46.5
1981	3.35	4.57	96.1	46.2
1982	3.35	4.30	90.6	43.6
1983	3.35	4.17	87.8	41.8
1984	3.35	4.00	84.2	40.3
1985	3.35	3.86	81.3	39.1
1986	3.35	3.79	79.8	38.2
1987	3.35	3.66	76.9	37.2
1988	3.35	3.51	74.0	36.1
1989	3.35	3.35	70.5	34.4

[1] Value of 1989 dollars, adjusted for inflation by using the U.S. Consumer Price Index.

Source: Center on Budget and Policy Priorities, from U.S. Department of Labor and Congressional Budget Office data.

Proponents of the higher wage, however, say that unemployment has not traditionally risen when the minimum wage was boosted, and that without a significant increase the number of workers living in poverty will continue to rise. A study by the Center on Budget and Policy Priorities shows that in 1989 a person working for minimum wage and supporting a family of three was earning 30 percent below the poverty line, compared to only 4 percent when the minimum wage was last increased in 1981 (Table 1).

As to the potential affects of the increased wage on the state's economy, the head of DES, Research Administration, says it's difficult to assess how it will influence an already sluggish Arizona economic engine. "Obviously you wouldn't expect it to help expand jobs," says Research Administrator Dan Anderson.

The services and trade industries, which have been two of only a few bright spots for the state during the past two years, will be affected the most by the higher wage since these sectors employ a large proportion of minimum-wage employees. But Anderson says,

(Continued on page 4)

(Continued from page 3)

while a higher wage will bring increases for these sectors' lowest-paid employees, it doesn't necessarily translate into corresponding increases for workers in positions that currently earn more than the new minimum wage. "We assume what mostly will occur is wage compression," -- increases at the bottom of the scale -- "which doesn't mean an upward shift on the wage scale," Anderson says.

More details about minimum-wage changes are available by contacting the U.S. Department of Labor's Wage and Hour Division at (602) 640-2990.

--Brent Fine
Arizona LMI Newsletter Editor

14 'Labor Surplus' Areas in State Designated

Fourteen civil jurisdictions in Arizona have been designated as "labor surplus areas" for the federal fiscal year beginning October 1, 1989, and ending September 30, 1990. The "labor surplus" designation affects every city and county jurisdiction in the state, except those in Pima, Maricopa, Yavapai, and Mohave counties.

Employers who will perform more than 50 percent of contract work within labor surplus areas are entitled to preference in bidding on federal contracts. The reason for giving preference is to funnel federal dollars into communities with unemployment higher than the national average.

All areas in counties, and cities with a population of at least 25,000, qualify as labor surplus areas if their unemployment rate is 20 percent higher than the national average during the previous two calendar years. Jurisdictions that had an average unemployment rate of 7.1 percent or higher (5.9 percent x 1.2) during the period of January 1987 through December 1988 are eligible.

Table 1. Arizona Labor Surplus Areas

Eligible Areas	Civil Jurisdictions Included
Apache County	Apache County
Balance of Cochise County	Cochise County less Sierra Vista City
Balance of Coconino County	Coconino County less Flagstaff City
Flagstaff City	Flagstaff City in Coconino County
Gila County	Gila County
Graham County	Graham County
Greenlee County	Greenlee County
La Paz County	La Paz County
Navajo County	Navajo County
Pinal County	Pinal County
Santa Cruz County	Santa Cruz County

Jurisdictions can also be classified as labor surplus areas under "exceptional circumstance" criteria if unemployment rates rise dramatically because of plant closures, contract cancellations, natural disasters, and other unforeseen circumstances. The Labor Department adds areas under this provision on a monthly basis during the fiscal-year period.

A complete listing of surplus areas -- including updates -- is published by the Labor Department in *Area Trends in Employment and Unemployment*. Cost is $25 for a yearly subscription and $3 for a single issue. To order, write to: Superintendent of Documents, U.S. Government Printing Office, Washington D.C.; or call (202) 783-3238.

Employers interested in bidding on federal contracts should consult *Commerce Business Daily*, a U.S. Department of Commerce periodical that lists federal contract requirements and projects to be awarded under preference procedures.

Energy Prices Fuel Largest Rise in CPI Since '81

The U.S. Consumer Price Index for All Urban Consumers (CPI-U), the most widely used indicator for measuring inflation, rose 4.6 percent before seasonal adjustment to a level of 126.1 (1982-84=100) for the 12-month period ending in December, the Department of Labor's Bureau of Labor Statistics (BLS) reports.

The rise in last year's CPI-U was in line with increases of 4.4 percent in both 1987 and 1988, but was the largest annual change since a 8.9 percent jump in 1981.

While advances in the food, shelter, and energy components were each larger than in 1988, the slight acceleration in the overall CPI-U was principally due to sharp increases in petroleum-based energy items during the first half of 1989. Food prices, which also rose notably more in the first half of the year, registered their largest increase since 1980.

The index for all items less food, shelter, and energy -- up 4.1 percent in 1989 -- rose less than in 1988 as prices for other commodities registered their smallest increase in three years. In particular, apparel prices increased 0.7 percent in 1989 after advancing 4.8 percent in 1988. Prices for other services rose about the same as in 1988. An 8.4 percent increase in medical-care services accounted for about one-third of the rise.

After advancing sharply early in 1989, gasoline prices declined in six of the last seven months, ending up 6.5 percent higher than a year ago, but still 25.0 percent lower than their peak level of March 1981. Household fuel, meanwhile, rose 19.5 percent last year.

Other areas of note included: dairy products, which continued their recent sharp upturn, advancing 10.3 percent during the past 12 months; beef and pork prices, which rose 6.5 and 6.9 percent, respectively; new automobiles, which nudged up 2.4 percent; telephone services, which dropped 0.3 percent as declines in interstate and intrastate toll calls more than offset a 0.6 percent increase in local service charges; professional services, 6.5 percent above 1989; and in the entertainment sector, charges for admissions, 9.5 percent higher.

—U.S. Department of Labor, Bureau of Labor Statistics

Table 1. Consumer Price Index (CPI-U) Percent Changes, 1983-89

	1983	1984	1985	1986	1987	1988	1989
All Items	3.8	3.9	3.8	1.1	4.4	4.4	4.6
Energy	-.5	.2	1.8	-19.7	8.2	.5	5.1
All Items less energy	4.5	4.4	4.0	3.8	4.1	4.7	4.6
Food	2.7	3.8	2.6	3.8	3.5	5.2	5.6
All Items less food and energy	4.8	4.7	4.3	3.8	4.2	4.7	4.4
Shelter	4.7	5.2	6.0	4.6	4.8	4.5	4.9
All Items less energy, food, and shelter	5.0	4.3	3.7	3.3	3.8	4.7	4.1
Other commodities	5.0	3.1	2.2	1.4	3.5	4.0	2.7
Other services	4.9	6.0	5.4	5.6	4.3	5.6	5.5

Source: U.S. Department of Labor, Bureau of Labor Statistics.

State Commerce Department Takes Bids for Enterprise Zones

Although it took two years to come to fruition, the Arizona Enterprise Zone program is now open for business. Beginning this month and continuing through March 1, the state Department of Commerce is accepting bids from county and municipal governments seeking preferred tax status for economically distressed areas.

Similar to federal legislation designating enterprise zones, the Arizona program was initially established by the Legislature in 1987, but was revised in 1989 and signed into law by Governor Mofford last May.

The program's primary goal, says a procedures manual distributed by the Commerce Department, "is to improve the economies of distressed areas" by offering state and local incentives to private businesses to invest in those areas and "removing unnecessary governmental regulatory barriers to economic development." By doing this, the Commerce Department says property values tend to increase or at least stay the same, and the employability of disadvantaged workers is raised.

A Commerce Department official connected with the project says economically depressed areas often need a boost to get back on their feet. "In a competitive market, areas that have high unemployment and high poverty rates have a difficult time competing without some sort of assistance," says Mobin Qaheri, a senior economic specialist with the agency's Division of Economic Research.

One interesting feature of Arizona's program, Qaheri points out, is that enterprise zones can overlap several governmental boundaries. For example, a zone could encompass areas within several cities or it could be on land that is partly in a county and a city.

The enterprise zone law -- Senate Bill 1329 -- and the procedures manual specify how cities and counties would govern a zone in that situation.

(Continued on page 7)

Federal Tax-Credit Program Extended for Nine Months

Federal legislation passed in December has extended the Targeted Jobs Tax Credit (TJTC) program through September 30. The program that offers employers tax credits for hiring disadvantaged persons in nine target groups was due to expire at the end of 1989.

The U.S. Department of Labor recently distributed $24 million to states to finance the administration of the TJTC program, which allows employers to claim a credit of 40 percent of an employee's first-year wages up to $6,000, or a maximum credit of $2,400 per employee. In addition, employers can claim a credit of 40 percent of an employee's wages up to $3,000, or a maximum credit of $1,200, for economically disadvantaged summer youth workers hired between May 1 and September 15.

Some of the target groups in the TJTC program include:

- **People with disabilities referred from vocational rehabilitation programs of either a state or the U.S. Department of Veteran Affairs.**
- **Economically disadvantaged Vietnam-era veterans.**
- **Economically disadvantaged youth ages 18 to 22, or youth ages 16 to 19 that participate in qualified cooperative education programs.**
- **Recipients of federal Supplemental Security Income (SSI), or recipients of state and local general assistance payments for at least 30 days.**

More information is available about the TJTC program by contacting a Department of Economic Security (DES) Job Service office, schools that offer vocational education programs, or a local Internal Revenue Service office. IRS Publication 572, "General Business Credits," also has pertinent information.

—U.S. Department of Labor
Bureau of Labor Statistics

(Continued from page 6)

To qualify for enterprise zone status, an area must meet several requirements. It:

* must have either an unemployment rate or a poverty rate 150 percent of the statewide rate.

* must be at least one-quarter square mile and have a population of at least 1,000 persons.

* cannot be an entire county if the area's population is more than 500,000 (Pima and Maricopa counties).

Tax credits are the primary incentive offered to businesses that locate in an enterprise zone. These kick in when at least 35 percent of net new qualified employees are residents of the zone.

A "qualified employee" is someone who is considered "economically disadvantaged" as defined by the Job Training Partnership Act (JTPA). Tax credits range from one-fourth of taxable wages (not to exceed $1,000) per net new employee in the first year of employment, up to one-half of taxable wages (not to exceed $2,500) per net new employee in the third year of employment.

The Department of Commerce is limited to choosing six enterprise zones a year, with only one per county. Qaheri says his agency is not sure how many applications it will receive, but "the response was very good" to presentations made around the state to the private and public sector.

More information is available about the program by calling the Commerce Department's Division of Economic Research at 542-3866.

The Arizona Labor Force in November

Arizona's unemployment rate dropped in November to 4.7 percent -- its lowest level since September 1984 when it was 4.5 percent. Meanwhile, Maricopa County's 3.9 percent rate was also at a five-year low, and Pima County's 3.6 percent rate was not only below Maricopa's for the first time in 11 months, but also descended to its lowest level in 16 years.

These low rates are not of the same kind Arizona enjoyed during the boom year of 1984 when employment was growing at record rates, but reflect slowing of work force growth. Arizona's labor force peaked in May at 1,740,700 and lost 36,400 through October. November saw a return of growth by 1,100, but that is less than half the average November growth of 2,600 during the economic expansion since 1982. There is an implication that either in-migration has slowed, or that fewer women and youth are entering the labor force.

Arizona unemployment declined another 7,400 in November to 75,000 which, like the rate, was the lowest level since 1984. While unemployment declined, total employment (residence-based) increased by 8,500, a seasonally expected amount.

Nonfarm wage and salary employment (number of jobs by place of work) grew 10,600, a respectable amount for November. Over-the-year growth through November has been 34,400 jobs, or a growth rate of 2.4 percent.

Trade grew 6,800, just a little better than seasonally normal for November. In fact, retail trade growth was seasonally weak, adding 5,500. Food stores contributed 1,200, or 200 more than seasonal.

(Continued on page 12)

Arizona Labor Force and Employment

November 1989 (in thousands)

	ARIZONA				
				Amount Change	
	Nov.* 1989	Oct. 1989	Nov. 1988	Oct.-Nov.	1988-1989
TOTAL CIVILIAN LABOR FORCE**	1705.4	1704.3	1693.7	+1.1	+11.7
Total Unemployment	75.0	82.4	96.8	-7.4	-21.8
Rate	4.4	4.8	5.7	----	----
Rate (Sea. Adj.)***	4.7	4.8	6.2	----	----
Total Employment	1630.4	1621.9	1596.9	+8.5	+33.5

The Above Labor Force Statistics Should N

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

TOTAL WAGE AND SALARY	1474.8	1464.2	1440.4	+10.6	+34.4
Manufacturing	190.1	190.2	190.1	-0.1	+0.0
Durable Goods	144.4	144.6	146.2	-0.2	-1.8
Stone, Clay, and Glass	7.8	7.8	7.6	+0.0	+0.2
Primary and Fabricated Metals	15.9	16.0	15.7	-0.1	+0.2
Primary Metals	7.4	7.5	7.5	-0.1	-0.1
Fabricated Metals	8.5	8.5	8.2	+0.0	+0.3
Machinery	62.2	62.4	66.0	-0.2	-3.8
Other Durable Goods	58.5	58.4	56.9	+0.1	+1.6
Aircraft and Missiles	26.0	26.0	26.2	+0.0	-0.2
Lumber and Wood Product (Excluding Furniture)	8.6	8.6	8.4	+0.0	+0.2
All Other Durable Goods	23.9	23.9	22.3	+0.1	+1.6
Nondurable Goods	45.7	45.6	43.9	+0.1	+1.8
Food and Kindred Products	10.0	9.9	9.4	+0.1	+0.6
Apparel	4.7	4.7	4.5	+0.0	+0.2
Printing and Publishing	17.1	17.0	16.8	+0.1	+0.3
All Other Nondurable Goods	13.9	14.0	13.2	-0.1	+0.7
Mining and Quarrying	12.0	12.1	12.0	-0.1	+0.0
Copper Mining	9.2	9.2	8.8	+0.0	+0.4
Other Mining and Quarrying	2.8	2.9	3.2	-0.1	-0.4
Construction	89.4	91.7	93.7	-2.3	-4.3
Trans., Communications, & Public Utilities	74.3	73.9	72.7	+0.4	+1.6
Transportation	39.7	39.3	36.9	+0.4	+2.8
Communications and Public Utilities	34.6	34.6	35.8	+0.0	-1.2
Trade	372.9	366.1	353.9	+6.8	+19.0
Wholesale Trade	72.4	71.1	68.1	+1.3	+4.3
Retail Trade	300.5	295.0	285.8	+5.5	+14.7
General Merchandise and Apparel	48.3	46.2	46.3	+2.1	+2.0
Food Stores	50.5	49.3	47.5	+1.2	+3.0
Automotive and Service Stations	35.7	35.7	34.1	+0.0	+1.6
Eating and Drinking Places	102.7	101.8	98.5	+0.9	+4.2
Other Retail Trade	63.3	62.0	59.4	+1.3	+3.9
Finance, Insurance, and Real Estate	93.3	92.6	91.6	+0.7	+1.7
Services and Miscellaneous	379.5	376.3	362.2	+3.2	+17.3
Hotels and Other Lodging Places	44.2	43.2	41.4	+1.0	+2.8
Business Services	79.3	78.6	77.0	+0.7	+2.3
Health Services	94.6	93.8	91.4	+0.8	+3.2
Other Services	161.4	160.7	152.4	+0.7	+9.0
Government	263.3	261.3	264.2	+2.0	-0.9
Federal	45.2	44.9	44.2	+0.3	+1.0
State and Local	218.1	216.4	220.0	+1.7	-1.9
School	125.8	123.7	120.6	+2.1	+5.2

* Preliminary

** Labor force, unemployment, and employment are reported by place of residence.

*** Normal seasonal variations have been eliminated to reflect underlying economic trends.

Arizona Labor Force and Employment

November 1989 (in thousands)

MARICOPA COUNTY					PIMA COUNTY				
			Amount Change					Amount Change	
Nov.* 1989	Oct. 1989	Nov. 1988	Oct.- Nov.	1988- 1989	Nov.* 1989	Oct. 1989	Nov. 1988	Oct.- Nov.	1988- 1989
1057.4	1056.2	1045.1	+1.2	+12.3	320.0	320.7	319.8	-0.7	+0.2
39.8	43.5	50.6	-3.7	-10.8	11.6	13.6	15.5	-2.0	-3.9
3.8	4.1	4.8	---	---	3.6	4.2	4.8	---	---
3.9	4.1	5.1	---	---	3.6	4.2	4.8	---	---
1017.6	1012.7	994.5	+4.9	+23.1	308.4	307.1	304.3	+1.3	+4.1

e Used for Economic Assistance Programs

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

970.3	962.3	945.3	+8.0	+25.0	256.6	254.4	253.3	+2.2	+3.3
139.8	139.9	138.5	-0.1	+1.3	28.1	28.0	29.9	+0.1	-1.8
107.7	107.8	107.8	-0.1	-0.1	22.3	22.2	24.0	+0.1	-1.7
4.8	4.8	5.1	+0.0	-0.3					
10.6	10.6	10.4	+0.0	+0.2					
51.3	51.5	52.7	-0.2	-1.4					
41.0	40.9	39.6	+0.1	+1.4					
32.1	32.1	30.7	+0.0	+1.4	5.8	5.8	5.9	+0.0	-0.1
6.6	6.5	6.0	+0.1	+0.6					
3.6	3.5	3.4	+0.1	+0.2					
12.0	12.0	11.9	+0.0	+0.1					
9.9	10.1	9.4	-0.2	+0.5					
0.9	0.9	0.7	+0.0	+0.2	2.1	2.1	1.9	+0.0	+0.2
60.1	61.5	64.5	-1.4	-4.4	16.1	16.3	16.8	-0.2	-0.7
52.1	51.8	50.5	+0.3	+1.6	9.5	9.5	9.0	+0.0	+0.5
29.2	28.9	27.1	+0.3	+2.1	4.9	4.9	4.6	+0.0	+0.3
22.9	22.9	23.4	+0.0	-0.5	4.6	4.6	4.4	+0.0	+0.2
251.4	246.1	239.8	+5.3	+11.6	61.5	60.6	57.9	+0.9	+3.6
58.4	57.5	54.6	+0.9	+3.8	7.4	7.4	6.9	+0.0	+0.5
193.0	188.6	185.2	+4.4	+7.8	54.1	53.2	51.0	+0.9	+3.1
29.8	28.4	29.2	+1.4	+0.6	8.1	7.6	7.9	+0.5	+0.2
33.0	31.9	30.8	+1.1	+2.2	8.2	8.1	8.3	+0.1	-0.1
22.9	22.8	21.6	+0.1	+1.3	5.6	5.7	5.5	-0.1	+0.1
65.5	64.7	63.4	+0.8	+2.1	19.0	18.9	18.2	+0.1	+0.8
41.8	40.8	40.2	+1.0	+1.6	13.2	12.9	11.1	+0.3	+2.1
74.8	74.0	73.0	+0.8	+1.8	11.5	11.6	12.0	-0.1	-0.5
255.9	253.3	243.9	+2.6	+12.0	71.2	70.5	68.1	+0.7	+3.1
26.9	25.8	24.5	+1.1	+2.4	7.2	6.8	6.8	+0.4	+0.4
62.0	61.3	60.2	+0.7	+1.8	11.7	11.8	11.6	-0.1	+0.1
61.0	60.5	59.6	+0.5	+1.4	20.5	20.3	19.5	+0.2	+1.0
106.0	105.7	99.6	+0.3	+6.4	31.8	31.6	30.2	+0.2	+1.6
135.3	134.8	134.4	+0.5	+0.9	56.6	55.8	57.7	+0.8	-1.1

NOTE: Prepared by the Arizona Department of Economic Security, Research Administration, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Nonmetropolitan Counties
Labor Force and Employment
November 1990

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
CIVILIAN LABOR FORCE*	14,525	35,225	44,550	12,575	9,200	2,850	5,675
Total Unemployment	1,475	1,925	2,675	1,025	600	225	325
Rate	10.2%	5.5%	6.0%	8.2%	6.5%	7.9%	5.7%
Rate (Seas. Adj.)**	11.5%	5.7%	6.3%	8.4%	6.7%	8.2%	5.7%
Total Employment	13,050	33,300	41,875	11,550	8,600	2,625	5,350

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
TOTAL WAGE AND SALARY	15,250	26,000	41,250	10,925	5,950	2,800	3,750
Manufacturing	925	1,250	3,200	1,325	200	50	350
Mining & Quarrying	50	150	125	1,250	0	1,575	75
Construction	1,025	825	2,075	500	225	100	200
T.C.P.U.	1,625	1,625	2,125	375	175	50	75
Trade	1,600	5,950	9,825	2,475	1,500	225	1,200
F.I.R.E.	350	675	825	300	100	25	100
Services & Misc.	4,400	4,875	10,500	2,075	1,000	125	900
Government	5,275	10,650	12,575	2,625	2,750	650	850

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	33,700	27,325	39,800	11,175	38,650	52,750
Total Unemployment	1,550	2,075	2,400	1,325	1,750	6,275
Rate	4.6%	7.6%	6.0%	11.9%	4.5%	11.9%
Rate (Seas. Adj.)**	4.6%	8.2%	6.7%	11.4%	4.9%	17.5%
Total Employment	32,150	25,250	37,400	9,850	36,900	46,475

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
TOTAL WAGE AND SALARY	23,750	21,350	31,525	10,400	26,675	28,425
Manufacturing	2,625	2,000	4,275	1,375	2,400	2,250
Mining & Quarrying	150	1,150	3,675	0	800	50
Construction	2,075	1,100	1,225	375	2,100	1,400
T.C.P.U.	1,175	1,800	975	625	1,025	1,075
Trade	7,425	4,200	5,750	4,050	7,325	8,475
F.I.R.E.	1,125	375	825	275	1,025	975
Services & Misc.	5,300	4,875	4,050	1,800	6,150	6,375
Government	3,875	5,850	10,750	1,900	5,850	7,825

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities
F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Estimated Hours and Earnings of Production Workers in Selected Industries Arizona

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Nov.* 1989	Oct. 1989	Nov. 1988	Nov.* 1989	Oct. 1989	Nov. 1988	Nov.* 1989	Oct. 1989	Nov. 1988
Manufacturing	424.79	411.84	410.94	42.1	41.6	41.3	10.09	9.90	9.95
Aircraft & Missiles	636.96	612.23	INA	45.4	44.3	INA	14.03	13.82	INA
Food & Kindred Prod.	348.25	340.60	329.87	39.8	40.0	39.6	8.75	8.52	8.33
Primary Metals	491.17	482.61	509.33	36.6	36.7	39.3	13.42	13.15	12.96
Machinery	397.76	383.27	409.85	40.3	39.8	40.7	9.87	9.63	10.07
Copper Mining	589.16	568.00	530.82	44.0	42.9	41.6	13.39	13.24	12.76
Construction	435.49	439.82	422.67	37.0	37.4	36.5	11.77	11.76	11.58
Utilities	699.92	705.12	632.88	43.5	43.1	41.5	16.09	16.36	15.25
Retail Trade**	250.69	252.55	241.80	32.6	33.1	32.5	7.69	7.63	7.44
Wholesale Trade	382.79	389.44	374.53	39.1	39.1	39.3	9.79	9.96	9.53

Estimated Hours and Earnings of Production Workers in Selected Industries Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Nov.* 1989	Oct. 1989	Nov. 1988	Nov.* 1989	Oct. 1989	Nov. 1988	Nov.* 1989	Oct. 1989	Nov. 1988
Manufacturing	443.31	429.11	443.10	42.1	41.5	42.0	10.53	10.34	10.55
Construction	456.07	459.00	431.43	37.2	37.5	36.5	12.26	12.24	11.82
Retail Trade**	265.60	267.58	266.40	33.2	33.7	33.3	8.00	7.94	8.00
Wholesale Trade	396.58	407.09	393.22	39.5	39.6	39.8	10.04	10.28	9.88

Estimated Hours and Earnings of Production Workers in Selected Industries Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Nov.* 1989	Oct. 1989	Nov. 1988	Nov.* 1989	Oct. 1989	Nov. 1988	Nov.* 1989	Oct. 1989	Nov. 1988
Manufacturing	383.96	368.26	378.65	39.1	38.4	39.9	9.82	9.59	9.49
Copper Mining	630.84	616.94	597.97	43.9	43.6	43.3	14.37	14.15	13.81
Construction	389.00	386.80	386.34	38.1	37.7	36.9	10.21	10.26	10.47
Utilities	562.49	553.68	572.05	38.5	38.8	40.6	14.61	14.27	14.09

* Preliminary.

** Excudes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs
November 1990

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,705,396	1,630,393	75,003	4.4%
Apache	14,535	13,048	1,487	10.2
Cochise	35,216	33,290	1,926	5.5
Coconino	44,544	41,876	2,668	6.0
Gila	12,582	11,562	1,020	8.1
Graham	9,184	8,592	592	6.4
Greenlee	2,869	2,637	232	8.1
La Paz	5,695	5,360	335	5.9
Maricopa	1,057,377	1,017,599	39,778	3.8
Mohave	33,701	32,138	1,563	4.6
Navajo	27,304	25,240	2,064	7.6
Pima	320,013	308,429	11,584	3.6
Pinal	39,794	37,397	2,397	6.0
Santa Cruz	11,186	9,849	1,337	12.0
Yavapai	38,648	36,895	1,753	4.5
Yuma	52,750	46,482	6,268	11.9

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

The Arizona Labor Force in November

(Continued from page 7)

Wholesale trade expanded by 1,300, while 800 has been the November average since 1982. Most of the above-normal growth was in Maricopa County, primarily among fresh fruit, vegetable and meat wholesalers.

Services gained 3,200, while 2,100 has been average in November since 1982. Hotels and other lodging places, anticipating a good tourism season, had the greatest part of the gain, adding 1,000, 400 above its seasonal average.

Government had weak growth for the month, adding 2,000 jobs. Federal government and schools had normal seasonal growth, while state and local government grew only 1,700, or half normal for November.

FIRE was the surprise of the service sector in November, adding 700 when 300 is seasonally normal. Construction did not benefit, however, from the gain in FIRE. Construction lost 2,300 jobs -- more than the seasonally expected 800 loss -- of which 1,000 came in Maricopa County.

In summary, November was a month of mixed activity. Unemployment rates remained down after dropping precipitously in October, and wage and salary employment increased better than 10,000 over the month. But, there was no improvement in the goods-producing sector.

--Ron Simon
RA Economic Analysis Manager

New Developments

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the Arizona LMI Newsletter is not responsible for incorrect information reported by these sources.

MANUFACTURING -- **Hughes Aircraft Co.** is recalling 75 laid-off hourly employees for work on the AMRAAM (advanced medium air-to-air-missile) program. Hughes says the recall came because more people than anticipated had accepted an early retirement incentive program. Hughes' employment, however, stood at 5,500 at the end of the year, 1,000 fewer than at the beginning of 1989.

Honeywell Inc. is planning to expand its operations in the Valley with the construction of two buildings next to existing facilities at 5353 W. Bell Road and 21111 N. 19th Avenue. The additional space, however, is not expected to lead to increases in employment, which currently stands at 8,000 in the Phoenix area.

Forty to 50 employees are expected to be working for **DynAir Tech** of Arizona by the end of the year, repairing airplane flight controls and advanced composite structures used in commercial and military aircraft. The $1 million facility at Sky Harbor International Airport is part of DynAir's existing maintenance operation there that employs 800 people.

McDonnell Douglas Helicopter Co. is delaying the expansion of its light-helicopter plant in Mesa and the building of a composite-materials manufacturing facility. Revised plans call for completion of the projects by 1992 and are being delayed in order to put capital into existing plants producing commercial aircraft, a more lucrative market. In related news, Israel is expected to purchase between 16 and 19 Apache attack helicopters in a deal valued at $230 million. McDonnell Douglas is nearing an end on production of 800 Apaches for the U.S. Army.

Phoenix Newspapers Inc., parent company of *The Arizona Republic* and *The Phoenix Gazette*, is replacing 1,500 Gazette carriers with 270 adult carriers, and also is eliminating 76 jobs in the circulation department as well as six reporters from the *Republic* and *Gazette*. The parent company expects the changes to save $2 million in the first year and $4.5 million each year thereafter.

Kraft General Foods Inc. has purchased a 60,000-square-foot building at the Phoenix Tech Center, Interstate 10 and Elliot Road, with the intent of opening a customer-service center that may employ as many as 300 people. Last June, Kraft doubled its distribution facilities in Phoenix when it moved into a new warehouse at 45th Avenue and Buckeye Road.

CONSTRUCTION -- Despite a poor economic and real estate climate, about 8 million square feet of shopping centers in the Phoenix area are currently under construction, reaching all-time high for one period. Much of the growth is due to large retail chains -- Smith's, Albertsons, Home-Club -- opening numerous stores and the expansion of existing malls.

Phar-Mor Drug, an Ohio-based discount store, will anchor a 450,000-square-foot shopping center at Southern Avenue and Superstition Boulevard in Mesa. Construction of the center, being developed by Westcor, is set to begin this year and be completed by fall of 1991.

(Continued on page 14)

(Continued from page 13)

As part of an expansion plan, **Pay Less Drugs Stores Northwest Inc**. will open its fourth and fifth stores in the state, in Sedona and Bullhead City.

Several thousand jobs are expected to be created by the development of 630 acres in Phoenix in an area bounded by Harrison Street, Central Avenue, Maricopa Freeway, and 15th Avenue. The major feature of **The Phoenix Revitalization Project**, which will include a mixture of retail, residential, and office and medical buildings, will be a $2.5 million, 25,000-square-foot professional building across the street from Phoenix Memorial Hospital at 7th Avenue near Buckeye Road.

FINANCE, INSURANCE and REAL ESTATE -- **Del Webb Corp**. of Phoenix reported strong sales in its two Arizona retirement communities during the first three months of its sales year (September - November). During that period, Webb sold 192 homes in Sun City West (in the northwest Valley) and 69 in Sun City Tucson.

Western Savings, Arizona's largest thrift, and its $5.83 billion in assets will be auctioned off by the Resolution Trust Corp. (RTC) sometime during the second quarter of 1990. The financially plagued institution is the state's third thrift -- along with Security Savings and Universal Savings -- to be put on the auction block.

TRANSPORTATION, COMMUNICATIONS AND PUBLIC UTILITIES (TCPU) - Dallas-based **Southwest Airlines** is again expanding its Phoenix operation, by adding 13 flights from Phoenix and opening an employment center. The traffic increase will bring Southwest's flights from the Valley to 120, while the hiring facility will help handle the 600 job applications the airline receives monthly from Phoenix-area job seekers. Southwest added 400 employees to its Phoenix operation in 1989 for a total of 1,370 and plans to add an additional 200 jobs this year.

Acoustic Imaging Technologies Corp. of Tempe, which manufactures ultra-sound-imaging equipment, is moving its operation from five buildings in the Baseline Business Park to the Phoenix Tech Center at Interstate 10 and Elliot Road. Acoustic Imaging, which employs 280 workers, also expects to add 120 positions in 1990.

Aero California is starting service this month from Phoenix and Tucson to Los Cabos in Mexico's Baja Peninsula. Based in La Paz, Baja California, the 22-year-old Mexican airline looks at the move as the first step of expansion into the southwestern United States.

TRADE - Office-supply chain **The O.P. Club**, based in Phoenix, has opened its fifth store in the Valley, at 120 W. Thomas Road, and plans to open an additional three locations in 1990.

In a cost-cutting effort, **Smitty's** supermarket chain has eliminated 212 positions -- 190 custodial jobs and 22 security positions. Smitty's plans to contract with private companies to do the work.

Lou Regester Furniture Co. has closed its only Tucson location. None of 18 employees who lost their jobs is relocating to one of Regester's three stores in Phoenix.

MISCELLANEOUS - Arizona employers' **average unemployment insurance tax rate** on workers' first $7,000 earned will decline slightly, from 1.18 percent to 1.16 percent, beginning this year. The decrease will save employers $1.40 annually per worker. On the other hand, the **Social Security payroll tax** for employers and employees is increasing from 7.51 percent to 7.65 percent. On $10,000 income, employees and employers will each pay an additional $14 in taxes.

Index to 1989 Issues of Arizona LMI Newsletter

	Month	Page
Economy		
Arizona's Economy in '88 Reviewed	March	2
Employment Forecasts for '88 and '89 Issued	March	5
Updated Employment Forecasts for '88 and '89 Issued	Sept.	2
Income/Wages		
Average Annual Pay for State, Metropolitan Areas Issued	Jan.	2
Findings of Small, Large Employer Wage Survey Reviewed	Feb.	2
Why do Maricopa County Workers Make More Money?	Feb.	5
Illegal Aliens Eligible for Minimum Wage	April	15
State, Metro Areas Lag Pay Average	Oct.	2
Pay Gap Caused by Smaller Goods-Producing Sector	Oct.	7
State's Personal Income Growing at Reduced Pace	Oct.	8
Labor Force		
Film, Fact Sheet Focus on Women in Workplace	Feb.	6
Youth Join U.S. Work Force in Record Numbers	Sept.	13
Manufacturing Accounts for Half of '88 Mass Layoffs	Sept.	24
BLS Study Profiles Working Poor	Nov.	2
BLS Articles Focus on Temporary Work Force	April	15
Summer Jobs in Private Sector Drying Up	June	15
DOL Awards $7 Million for Homeless Jobs Projects	Nov.	4
BIA Project to Upgrade Skills of Native Americans	Nov.	5
Occupation/Career Information		
MICRO OIS of Arizona Releases 3 Publications	April	7
'89 Version of MICRO OIS Data Base Released	Aug.	15
NOICC to Provide Data for Economic Development	Oct.	9
School Officials Back Career-Development Guidelines	Nov.	6
Officials Discuss Ways to Get Homeless into Work Force	Dec.	2
Programs Give Homeless Tools to Become Self-Sufficient	Dec.	18
BLS Issues Revised Employment Projects to Year 2000	Dec.	9
Other		
Series on DES, Research Administration (5 parts)		
Overview of Research Administration	April	2
Economic Analysis Unit	May	7
Technical Support Unit	June	5
Population Statistics Unit	July	5
Data Systems Unit	Aug.	2
Revised Population Estimates for 1981-88 Issued	April	5
BLS Revises Method for Estimating Employment	Feb.	7
Conference Focuses on Future of LMI Programs	May	2
LMI Publications -- Hot Off the Press	Feb.	6
"	April	7
"	June	9
"	Aug.	15
"	July	13
"	Nov.	7
Network Helps Businesses Secure Federal Contracts	June	2
OES Unit to Collect Data on Manufacturers	June	7
Four Arizona Cities Make List of Top "Micro Areas"	June	8
Health-Care Program Provided for Working Uninsured	July	2

50465-1A

ARIZONA LABOR MARKET INFORMATION NEWSLETTER

Vol. XIV No. 2
February 1990

Unemployment Rate

Seasonally Adjusted
December*

ARIZONA	–	4.3%
Maricopa Co.	–	3.6
Pima Co.	–	3.5
United States	–	5.3

Consumer Price Index

U.S. – December 1989
Base = 1982-84

Wage Earner/Clerical Worker	–	124.6
% Chg. Year Ago	–	4.5
All Urban	–	126.1
% Chg. Year Ago	–	4.6

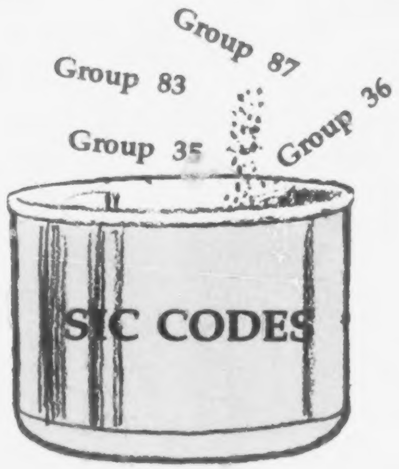
Phoenix – 4th Qtr 1989
Base = 1982-84

All Urban	–	127.8
% Chg. Year Ago	–	4.3

Tucson – 4th Qtr 1989
Base = 1982-84

All Urban	–	128.8
% Chg. Year Ago	–	3.6

* Preliminary



Changing Industry Mix

*Revised SIC Manual Leads
to Shake Up of Arizona's CES Tables*

Inside This Issue

RA Updates Employment Tables 2
Revised SIC Manual Changes Industry Mix 3
DOL Report Touts Apprenticeship Training 6
Survey Suggests More Career-Decision Training Needed 7
Work Stoppages Hit Highest Levels Since '83 7
Unemployment Rates Down in Most States in '89 8
The Arizona Labor Force in December 9
New Developments 15

Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency

W&S Tables Updated to Reflect BLS Format

RA Drops 12 Series, Plans Change in Estimating Technique in '91 or '92

When looking over the Arizona Labor Force Statistics section (see centerfold) in the March *Arizona LMI Newsletter*, don't get excited. Your eyes are not deceiving you. Fewer data series are being published due to an early spring cleaning -- BLS style.

Beginning with January 1990 (and historically revised 1988 and '89) labor force data, estimates for 12 wage and salary employment series, and one hours and earnings series, are being dropped permanently from publication, while two other series are being temporarily eliminated, and one series has been broken.

> *"With ACES, we'll be doing a top-down estimate, which means we estimate each area exclusively -- the state exclusively, Maricopa County, and so on. ..."*
>
> *--Vic Conti*
> *CES Supervisor*

All but three of the dropped series are being eliminated in order to bring Arizona in line with national publication standards; the other three, because of insufficient data needed to make reliable estimates.

The timing of the series changes (see below) -- and the series break -- however, are related to the implementation of the revised 1987 Standard Industrial Classification (SIC) Manual codes into the Current Employment Statistics (CES) program (see "Revised SIC Manual Shakes Up Industry Mix ....," p. 3). And other changes relating to CES data are planned or are under consideration as DES, Research Administration, attempts to deal with such issues as: improving data-gathering techniques, lack of funding, and maintaining BLS publication standards.

ARIZONA LMI NEWSLETTER
SITE CODE 733A
P.O. BOX 6123
PHOENIX, AZ 85005-6123
(602) 542-3871

Brent Fine, Editor
Linda Van Calcar, Word Processor

One of the positive -- and more exciting -- moves Research Administration will be making in 1991 or 1992 is the implementation of a new data-gathering program called ACES, or Automated Current Employment Statistics. Developed by the state of Iowa, ACES will give added flexibility and more accuracy in producing labor force and wage estimates, particularly on the state level.

Currently, Arizona's CES program uses a matrix-type file structure that requires estimates from all 15 counties in order to "wrap up" to monthly industry estimates at the state level, says CES Supervisor Vic Conti. With ACES, each estimating area -- state or county -- will have an exclusive file in a data base, Conti says.

For example, under the present system if a less-populated county, such as Apache County, is lacking a sufficient sample for a specific industry, say automobile dealers, CES often uses historical data to estimate labor force numbers. If this happens in several counties, this process could alter somewhat the reliability of the state total.

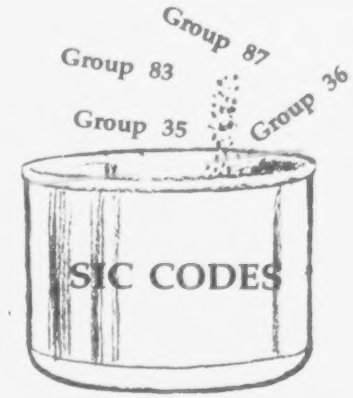
"But with ACES, we'll be doing a top-down estimate, which means we estimate each area exclusively -- the

(Continued on page 3)

Revised SIC Manual Shakes Up Industry Mix, Accounts for Increase in Service Sectors

Just as the world is constantly changing, so, too, is the industrial makeup of the U.S. (and Arizona) economies. And for good or bad, the nation's economy has become more service oriented over the last few decades (Table 1). As a famous song of the '60s said, "For the times, they are a changin'."

To keep up with these changes statistically, from time to time the federal government updates the Standard Industrial Classification (SIC) Manual, its bible for describing and classifying U.S. business establishments by industry. The SIC Manual is divided into nine major industry divisions (e.g., Manufacturing), which are then subdivided into smaller (two-, three-, and four-digit) industry classifications (e.g., Furniture and Fixtures (two-digit), Household Furniture (three-digit), and Wood Household Furniture (four-digit)).



The SIC Manual's code is used for compiling a variety of establishment-based federal economic statistics, including state and substate labor force, wage and occupational data gathered by three federal-state cooperative programs -- Current Employment Statistics (CES), ES-202 (Unemployment Insurance) and Occupational Employment Statistics (OES). Much of the information from these programs, which in Arizona are under the direction of DES, Research Administration, is available to the public through the *Arizona LMI Newsletter* and other labor market information publications. (See "Data Systems Surveys State's Vital Signs," *Arizona LMI Newsletter*, August 1989.)

In 1987, the first major revision since 1972 of the SIC Manual was issued. Three years prior, the President's Office of Management and Budget (OMB), which oversees publication of the manual, had requested the update to account for rapid growth in the service-producing sector, as well as technological changes and the deregulation of the banking and communications industries[1]. In addition, SIC changes were sought to improve industry detail, coverage and definitions, and to clarify classification concepts.[2]

OMB asked for input for the revision and received approximately 1,100 recommendations from various groups, including government agencies (particularly state employment security agencies), trade associations, businesses, and individuals. An OMB technical committee included 40 percent of the suggestions in the updated manual.

On the national level, the net effect of the SIC revision was an increase of 19 industries in services (Division I), eight in wholesale trade (Division F), and seven in manufacturing (Division D), with a net decrease of 34 industries for other SIC divisions.[3] In addition, some industries were altered by transfer of individual activities, and a few have been renumbered due to the restructuring of the classification at the three-digit level.[4] (A complete list of industry changes

(Continued on page 4)

(Continued from page 2)

state exclusively, Maricopa County exclusively, and so on. And one area is not dependent on any other area," Conti says. To replace each small county estimate, ACES will rely on samples from various places in the state to represent each rural county.

Once ACES is implemented, Conti says, Research Administration will look at expanding published data series, with a primary emphasis on service-producing industries, where the state (and nation) is growing the fastest. "Once we get familiar using the system, then

(Continued on page 5)

Table 1. Arizona, U.S. Goods-Producing vs. Service-Producing Wage and Salary Employment, 1949-1989

Percentage of Total (Annual Averages)

ARIZONA	1989	1979	1969	1959	1949
Goods-Producing	19.6%	25.8%	28.3%	28.6%	24.4%
Service-Producing	80.4	74.2	71.7	71.4	75.6
Pvt. Goods-Producing	23.6	32.2	36.2	36.0	30.4
Pvt. Service-Producing	76.4	67.8	63.8	64.0	69.6
UNITED STATES					
Goods-Producing	23.6*%	29.5%	34.6%	38.3%	40.1%
Service-Producing	76.4*	70.5	65.4	61.7	59.9
Pvt. Goods-Producing	28.2*	35.8	41.9	45.2	46.3
Pvt. Service-Producing	71.8*	64.2	58.1	54.8	53.7

* Preliminary

Source: Arizona Dept. of Economic Security, Research Administration; U.S. Dept. of Labor, Bureau of Labor Statistics

(Continued from page 3)

can be found in the manual's appendix.)

In Arizona, most of the SIC changes affecting CES estimates will not be readily noticeable to the public because the state's labor force statistics are published in less detail than nationally -- primarily division and two-digit levels. But in subareas (two-digit) of two industries -- services and manufacturing -- the new SIC codes did cause a series break and a slight decrease in employment estimates.

The movement of "professional services" out of "business services" (SIC 73) to form part of a new industry group (SIC 87) caused a series break in business services beginning with 1990 (and historically revised 1988 and '89) data and will be noted with four asterisks in the published tables. For the present, however, professional services will only be part of the aggregate total of "services" in state and substate tables, until there is time to determine if it should be published as a separate series.

The other significant change occurred in manufacturing, where the movement of some subindustries (three- and four-digit from SIC codes 35 and 36 ("nonelectrical machinery" and "electrical machinery") into other SIC codes resulted in a net decrease of about 4 percent in the combined SIC 35 and 36 employment estimates from 1987 to '88. This slight reduction, though, was not enough to cause series breaks.

Why, you ask, did it take nearly three years to implement the revised SIC manual into the CES program? Because of the massive amount of data and time needed by U.S. Bureau of Labor Statistics to set up and approve each state's program. The ES-202 and OES programs, however, began using the revised codes in 1988.

More information about the changes affecting each of these programs is available by contacting Research Administration at (602) 542-3871. Copies of the SIC Manual are available at most major public libraries, or may be purchased from the National Technical Information Service in Springfield, Virginia.

1. Standard Industrial Classification Manual, revised 1987, p. 3.
2. Ibid.
3. Ibid.
4. Ibid.

(Continued from page 3)

we could move into some structural changes," he says.

One *possible* change in the future that certainly will not be popular -- particularly in the rural areas -- is the reduction or elimination of published labor force numbers for non-metropolitan counties. Pressure from the Bureau of Labor Statistics and budget woes could force the discontinuation of publishing small county labor force estimates, says Research Administrator Dan Anderson.

> *"We need to find some other source of funding. Our users -- economic development agencies, job seekers -- are getting tired of paying for it. There is not enough money to do what people want done."*
>
> ***-- Dan Anderson***
> ***Research Administrator***

"We're not dropping rural counties (now), but if the budget comes under pressure, those data would have to be reviewed," Anderson says, pointing out BLS doesn't require small county data to produce its national statistics and has requested that federal funds not be used to produce them. In addition, Anderson says most states do not produce the level of detail on a county basis as Arizona currently does. Two nearby states produce either no small county data (Nevada) or in much less detail (Texas), Anderson says.

Presently, Research Administration relies on BLS for 50 percent of its funding and almost all the rest comes from other federal grants. The limited state money RA does receive goes toward two positions in the Population Statistics Unit, but none in the labor market information programs, which make up the bulk of the RA workforce.

Table 1. Series Dropped from Monthly CES Tables

- ✓ All "Other" categories in Arizona, Maricopa, and Pima County employment estimates.
- ✓ "Schools" (under "Local Government" and "State Government") in Arizona employment estimates.
- ✓ "Apparel" (under "Nondurable Goods") in Arizona and Maricopa County employment estimates.
- ✓ "Copper Mining" in "Pima County Hours and Earnings" estimates.

"We need to find some other source of funding," Anderson warns. "Our users -- economic development agencies, job seekers -- are getting tired of paying for it. There is not enough money to do what people want done."

An article last October in the *Arizona Republic* said a lack of published data at county and city level in rural areas was hurting small counties' chances for economic development. But Anderson says that if there are no funds to hire analysts to collect the data, then there isn't anything to publish.

Following are a list of present changes being made and reasons for the adjustments:

(Continued on page 6)

(Continued from page 5)

- All of the "Other" categories in Arizona, Maricopa County, and Pima County are being eliminated permanently. Reason: the U.S. Bureau of Labor Statistics (BLS) does not publish "Other" categories.

- " Schools" (under the state "Government" series) will no longer be broken out separately, but will eventually be part of separate Arizona "Local Government" and "State Government" series. However, because Research Administration is still reconfiguring these data cells, "Local Government" and "State Government" series will not be published for the immediate future. Back data for months not published will be available when these two data series resume. Reason: BLS does not break out "Schools" separately.

- "Apparel" series (under "Nondurable Goods" series) is being dropped permanently from the Arizona and Maricopa County tables. Reason: insufficient number of establishments to make accurate estimates.

- "Copper Mining" (under the Pima County "Hours and Earnings Estimates") is being dropped permanently. Reason: insufficient data to make accurate estimates.

- "Professional Services" has been broken out from "Business Services" causing a series break in "Business Services"), but "Professional Services" will not be published separately at the present time. Reason: implementation of the revised SIC codes.

--Brent Fine
Arizona LMI Newsletter Editor

DOL Report Touts Uses of Apprenticeship Training

The U.S. Department of Labor (DOL) in January released "Work-Based Learning: Training America's Workers," a 52-page report that discusses the uses of the apprenticeship method of training and how it will fill the needs for a skilled workforce.

The publication's release coincides with the ending of the first phase of the DOL's Apprenticeship 2000 initiatives, which the department started two years ago.

"This report advances our wide-ranging efforts to help close the skills and motivation gaps which hamper America's productivity and competitiveness," said Secretary of Labor Elizabeth Dole in a DOL news release.

In conjunction with the report's suggestions for expanding work-based training, the DOL's Employment and Training Administration (ETA) has started a series of demonstration projects, together with industries, associations and state and local governments, to study several work-based training strategies. In fiscal year 1989 (July 1, 1989, to June 30, 1990), ETA's Bureau of Apprenticeship and Training (BAT) will use grants of $2 million to work on projects with three national organizations -- National Alliance for Business, AFL-CIO's Human Resources Development Institute, and 70001 Training and Employment Institute.

In the DOL release, BAT National Director James D. Van Erden said work-based training endeavors enable BAT "to extend the successful principles of apprenticeship," including: the combination of on-the-job training and classroom instruction, agreements between program sponsors and apprentices about training content, and nationally recognized credentials upon program completion.

Copies of the report are available by contacting: Bureau of Apprenticeship and Training, U.S. Department of Labor, Room N-4649, 200 Constitution Ave., N.W., Washington, D.C. 20210.

Survey: More Information Wanted for Career Decisions

Nearly two-thirds of American adults would seek more information about career options if they were starting their career over again, according to a national survey, with blacks (79 percent) and Hispanics (75 percent) showing the greatest interest in additional career data, followed by a majority of whites (63 percent).

The survey's results, released in January in the publication "Work in America, A Survey of U.S. Adults on Jobs, Careers and the Workplace," were compiled by The Gallup Organization for the National Occupational Information Coordinating Committee (NOICC) and the National Career Development Association (NCDA). NOICC is a federal interagency committee established by Congress in 1976 to coordinate the development and use of occupational, career and labor market information.

Among other findings of the survey:

- **Four out of 10 working adults followed a definite plan in mapping out their careers, with college graduates (62 percent) more likely than high school graduates (32 percent) to plan a career.**
- **Twenty-seven percent of blacks said they took the only jobs that were available to them, compared to 19 percent of Asians, 17 percent of Hispanics, and 10 percent of whites.**
- **Newspapers and magazines were cited by 38 percent of respondents as sources of information about jobs, followed by college career information centers (22 percent), and public and private employment services (19 percent).**
- **Twenty-seven percent said they needed additional assistance in finding information about jobs, with blacks reporting the highest need (44 percent) and whites the least (25 percent) among ethnic groups.**
- **Fifty-three percent said public high schools are not providing the training in job-seeking skills for students who are not going to college; and 40 percent said high schools are not providing enough help to students to choose careers.**

Work Stoppages Recorded Highest Levels Since '83

After two years of record lows, work stoppage activity rose in 1989, the U.S. Department of Labor's Bureau of Labor Statistics reports.

Major stoppages in effect last year resulted in 17 million days of idleness, more than in any year since 1983. Major work stoppages (51) and workers involved (452,000), however, were still among the lowest recorded by the Bureau's series, which dates back to 1947. The series covers strikes and lockouts involving 1,000 workers or more and lasting at least one shift.

The 17 million work days of idleness amounted to only about 7 out of every 10,000 available work days during the year. Slightly more than one-third (6.4 million days) of the year's idleness resulted from four disputes in the telephone industry. Disputes at Eastern Airlines involving the Machinists, the Air Line Pilots Association, and the Transport Workers Union, and at Boeing, involving the Machinists, accounted for 30.4 percent and 10.7 percent of the idleness, respectively.

The 1989 stoppage with the most workers occurred at Nynex's New York and New England Telephone companies, involving 60,000 workers represented by the Communication Workers and the Electrical Workers (IBEW). (This stoppage, combined with those at three other major telephone companies, accounted for somewhat more than two-fifths of all workers involved in major stoppages in 1989.) Following closely was the 49-day Boeing-Machinists stoppage, which involved 57,000 workers in seven states.

NOTE: The term "work stoppage" includes worker-initiated strikes, as well as lockouts of workers by their employers.

Unemployment Rates Declined in Majority of States, Regions in '89

Unemployment rates for 1989 were lower in 33 states than in 1988, according to annual average estimates released by the U.S. Labor Department's Bureau of Labor Statistics. The national unemployment rate for all civilian workers declined from 5.5 to 5.3 percent over this period.

Unemployment rate disparities between regions of the country continued to be evident, although less so than in 1988 (Table 1). For the four major regions, the rates ranged from a low of 4.5 percent in the Northeast to 5.7 percent in the South; the range in 1988 was from 4.0 to 6.1 percent. The differences were larger for the nine subdivisions, with jobless rates ranging from 3.9 percent in New England to 6.8 percent in West South Central.

The convergence of unemployment rates among states between 1988 and 1989 was apparent. Those which had the highest rates in 1988, such as Louisiana, West Virginia, and Alaska, showed pronounced drops in 1989, while many states with the lowest rates, particularly in New England, experienced rising unemployment. In all, 35 states had unemployment rates in 1989 that were closer to the national average rate than was the case in 1988.

States with 1989 unemployment rates higher than the national average were concentrated in the South, the highly industrialized Midwest, and in states heavily engaged in oil, gas, and mineral extraction. Lower-than-average rates were grouped in the Northeast, down the East Coast, and in the northern Plains states.

(Continued on page 9)

Table 1. Unemployment Rates by Regions, States, 1988-1989

	1988	1989
United States[1]	5.5	5.3
NORTHEAST	4.0	4.5
New England	3.1	3.9
Connecticut	3.0	3.7
Maine	3.8	4.1
Massachusetts	3.3	4.0
New Hampshire	2.4	3.5
Rhode Island	3.1	4.1
Vermont	2.8	3.7
Middle Atlantic	4.4	4.7
New Jersey	3.8	4.1
New York	4.2	5.1
Pennsylvania	5.1	4.5
MIDWEST	5.8	5.4
East North Central	6.3	5.7
Illinois	6.8	6.0
Indiana	5.3	4.7
Michigan	7.6	7.1
Ohio	6.0	5.5
Wisconsin	4.3	4.4
West North Central	4.7	4.5
Iowa	4.5	4.3
Kansas	4.8	4.0
Minnesota	4.0	4.3
Missouri	5.7	5.5
Nebraska	3.6	3.1
North Dakota	4.8	4.3
South Dakota	3.9	4.2
SOUTH	6.1	5.7
South Atlantic	4.8	4.8
Delaware	3.2	3.5
District of Columbia	5.0	5.0
Florida	5.0	5.6
Georgia	5.8	5.5
Maryland	4.5	3.7
North Carolina	3.6	3.5
South Carolina	4.5	4.7
Virginia	3.9	3.9
West Virginia	9.9	8.6
East South Central	7.1	6.3
Alabama	7.2	7.0
Kentucky	7.9	6.2
Mississippi	8.4	7.8
Tennessee	5.8	5.1
West South Central	7.8	6.8
Arkansas	7.7	7.2
Louisiana	10.9	7.9
Oklahoma	6.7	5.6
Texas	7.3	6.7

Table 1. Unemployment Rates by Regions, States, 1988-1989 (Cont.)

	1988	1989
WEST	5.6	5.3
Mountain	6.2	5.5
Arizona	6.3	5.2
Colorado	6.4	5.8
Idaho	5.8	5.1
Montana	6.8	5.9
Nevada	5.2	5.0
New Mexico	7.8	6.7
Utah	4.9	4.6
Wyoming	6.3	6.3
Pacific	5.4	5.2
Alaska	9.3	6.7
California	5.3	5.1
Hawaii	3.2	2.6
Oregon	5.8	5.7
Washington	6.2	6.2

1. **Because of separate processing and weighting procedures, totals for the United States differ from the results obtained by aggregating the data for regions, divisions, or states. Moreover, due to independent population adjustments, data for geographic components may not add to totals for larger geographic areas.**

(Continued from page 8)

Six states had unemployment rates of 7 percent or higher in 1989, four fewer than in 1988. West Virginia, with a rate of 8.6 percent, replaced Louisiana as the state with the highest unemployment rate; Hawaii, at 2.6 percent, had the lowest rate, replacing New Hampshire. The largest year-to-year increases occurred in New Hampshire (from 2.4 to 3.5 percent) and Rhode Island (from 3.1 to 4.1 percent). Louisiana experienced the largest decrease with a drop of 3 percentage points, from 10.9 to 7.9 percent.

NOTE: The 1988 population and labor force estimates have been revised to reflect updated state population estimates used as controls for the Current Population Survey. Also, all estimates, except those for Puerto Rico, were derived from the Current Population Survey, a sample survey of about 60,000 households conducted monthly for the Bureau of Labor Statistics by the Bureau of the Census.

The Arizona Labor Force in December

Arizona's unemployment rate continued to decline in December, dropping to 4.3 percent, its lowest level since July 1984. It was the second-lowest rate Arizona experienced in 18 years.

Once again, a declining labor force was the reason for the low rate, not increasing employment. In fact, residence-based total employment declined by 8,000 in December. Arizona's labor force has been declining since May, shrinking by 49,400. The shrinking labor force suggests workers are either leaving the state, or residents are dropping out of the labor force.

Unemployment, too, has been shrinking with a total of 41,500 unemployed dropping from the ranks since August. Arizona's December unemployed of 68,100 was the lowest since September 1984.

Arizona's establishment survey, on the other hand, presents a mixed picture in December with some elements in support of an improved economy and some showing continuing weakness. Total nonfarm wage-and-salary jobs increased by 9,500, a respectable December showing. Better-than-average seasonal growth in trade; services; and transportation, communication, and public utilities (TCPU) was the reason for the growth in total jobs.

Nevertheless, there was continued weakness in manufacturing and construction. Manufacturing remained even over-the-month, standing at 190,300 jobs. Construction dropped another 1,900, or about 900 more than seasonally normal.

With December employment estimates in, it might be expected that we would

(Continued on page 14)

Arizona Labor Force and Employment

December 1989 (in thousands)

	ARIZONA				
				Amount Change	
	Dec.* 1989	Nov. 1989	Dec. 1988	Nov.- Dec.	1988- 1989
TOTAL CIVILIAN LABOR FORCE**	1691.3	1707.2	1683.1	-15.9	+8.2
Total Unemployment	68.1	76.0	90.0	-7.9	-21.9
Rate	4.0	4.5	5.3	----	----
Rate (Sea. Adj.)***	4.3	4.8	5.8	----	----
Total Employment	1623.2	1631.2	1593.1	-8.0	+30.1

The Above Labor Force Statistics Should Not

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

	Dec.* 1989	Nov. 1989	Dec. 1988	Nov.- Dec.	1988- 1989
TOTAL WAGE AND SALARY	1486.2	1476.7	1434.8	+9.5	+51.4
Manufacturing	190.3	190.3	189.8	+0.0	+0.5
Durable Goods	144.5	144.5	146.2	+0.0	-1.7
Stone, Clay, and Glass	7.8	7.8	7.7	+0.0	+0.1
Primary and Fabricated Metals	16.0	15.9	15.8	+0.1	+0.2
Primary Metals	7.5	7.4	7.5	+0.1	+0.0
Fabricated Metals	8.5	8.5	8.3	+0.0	+0.2
Machinery	62.3	62.4	65.8	-0.1	-3.5
Other Durable Goods	58.4	58.4	56.9	+0.0	+1.5
Aircraft and Missiles	25.9	26.0	26.2	-0.1	-0.3
Lumber and Wood Products (Excluding Furniture)	8.8	8.7	8.4	+0.1	+0.4
All Other Durable Goods	23.7	23.7	22.3	+0.0	+1.4
Nondurable Goods	45.8	45.8	43.6	+0.0	+2.2
Food and Kindred Products	9.9	10.0	9.4	-0.1	+0.5
Apparel	4.7	4.8	4.5	-0.1	+0.2
Printing and Publishing	17.2	17.1	16.8	+0.1	+0.4
All Other Nondurable Goods	14.0	13.9	12.9	+0.1	+1.1
Mining and Quarrying	12.3	12.1	12.1	+0.2	+0.2
Copper Mining	9.3	9.2	8.9	+0.1	+0.4
Other Mining and Quarrying	3.0	2.9	3.2	+0.1	-0.2
Construction	87.5	89.4	92.6	-1.9	-5.1
Trans., Communications, & Public Utilities	75.7	74.6	73.1	+1.1	+2.6
Transportation	40.9	40.0	37.2	+0.9	+3.7
Communications and Public Utilities	34.8	34.6	35.9	+0.2	-1.1
Trade	382.4	374.3	359.3	+8.1	+23.1
Wholesale Trade	74.0	72.9	68.6	+1.1	+5.4
Retail Trade	308.4	301.4	290.7	+7.0	+17.7
General Merchandise and Apparel	52.7	49.1	48.5	+3.6	+4.2
Food Stores	51.1	50.3	48.8	+0.8	+2.3
Automotive and Service Stations	35.7	35.7	34.4	+0.0	+1.3
Eating and Drinking Places	103.8	102.7	99.0	+1.1	+4.8
Other Retail Trade	65.1	63.6	60.0	+1.5	+5.1
Finance, Insurance, and Real Estate	93.3	93.1	91.5	+0.2	+1.8
Services and Miscellaneous	383.0	380.0	363.2	+3.0	+19.8
Hotels and Other Lodging Places	44.6	44.5	41.2	+0.1	+3.4
Business Services	80.2	79.3	77.8	+0.9	+2.4
Health Services	95.5	94.8	91.6	+0.7	+3.9
Other Services	162.7	161.4	152.6	+1.3	+10.1
Government	261.7	262.9	253.2	-1.2	+8.5
Federal	45.1	45.0	44.0	+0.1	+1.1
State and Local	216.6	217.9	209.2	-1.3	+7.4
School	125.0	125.7	120.2	-0.7	+4.8

* Preliminary

** Labor force, unemployment, and employment are reported by place of residence.

*** Normal seasonal variations have been eliminated to reflect underlying economic trends.

Arizona Labor Force and Employment

December 1989 (in thousands)

MARICOPA COUNTY					PIMA COUNTY				
			Amount Change					Amount Change	
Dec.* 1989	Nov. 1989	Dec. 1988	Nov.- Dec.	1988- 1989	Dec.* 1989	Nov. 1989	Dec. 1988	Nov.- Dec.	1988- 1989
1051.3	1059.3	1039.6	-8.0	+11.7	316.4	319.3	319.0	-2.9	-2.6
36.4	39.9	46.8	-3.5	-10.4	10.8	11.7	14.2	-0.9	-3.4
3.5	3.8	4.5	---	---	3.4	3.7	4.5	---	---
3.6	3.9	4.7	---	---	3.5	3.7	4.6	---	---
1014.9	1019.4	992.8	-4.5	+22.1	305.6	307.6	304.8	-2.0	+0.8

Be Used for Economic Assistance Programs

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

979.7	972.3	943.0	+7.4	+36.7	257.5	256.2	252.9	+1.3	+4.6
139.8	139.9	138.2	-0.1	+1.6	28.0	28.1	30.0	-0.1	-2.0
107.7	107.7	107.9	+0.0	-0.2	22.2	22.3	24.1	-0.1	-1.9
4.8	4.8	5.1	+0.0	-0.3					
10.7	10.6	10.5	+0.1	+0.2					
51.3	51.5	52.5	-0.2	-1.2					
40.9	40.8	39.8	+0.1	+1.1					
32.1	32.2	30.3	-0.1	+1.8	5.8	5.8	5.9	+0.0	-0.1
6.5	6.6	6.0	-0.1	+0.5					
3.5	3.6	3.4	-0.1	+0.1					
12.2	12.1	11.8	+0.1	+0.4					
9.9	9.9	9.1	+0.0	+0.8					
0.9	0.9	0.8	+0.0	+0.1	2.1	2.1	1.9	+0.0	+0.2
58.9	60.1	63.6	-1.2	-4.7	15.7	16.0	16.9	-0.3	-1.2
53.1	52.3	50.9	+0.8	+2.2	9.6	9.5	9.2	+0.1	+0.4
30.2	29.5	27.4	+0.7	+2.8	5.0	4.9	4.7	+0.1	+0.3
22.9	22.8	23.5	+0.1	-0.6	4.6	4.6	4.5	+0.0	+0.1
258.5	252.7	242.7	+5.8	+15.8	62.4	61.3	59.2	+1.1	+3.2
59.4	58.8	54.9	+0.6	+4.5	7.5	7.4	6.9	+0.1	+0.6
199.1	193.9	187.8	+5.2	+11.3	54.9	53.9	52.3	+1.0	+2.6
32.9	30.4	30.3	+2.5	+2.6	8.5	8.0	8.6	+0.5	-0.1
33.6	33.0	31.8	+0.6	+1.8	8.1	8.0	8.3	+0.1	-0.2
23.0	22.9	21.7	+0.1	+1.3	5.6	5.6	5.5	+0.0	+0.1
66.4	65.5	63.7	+0.9	+2.7	19.3	19.1	18.4	+0.2	+0.9
43.2	42.1	40.3	+1.1	+2.9	13.4	13.2	11.5	+0.2	+1.9
74.8	74.7	72.8	+0.1	+2.0	11.5	11.5	12.0	+0.0	-0.5
258.8	256.4	244.9	+2.4	+13.9	71.5	71.2	68.2	+0.3	+3.3
27.9	27.3	24.7	+0.6	+3.2	7.0	7.1	6.7	-0.1	+0.3
62.6	62.0	60.8	+0.6	+1.8	11.7	11.7	11.7	+0.0	+0.0
61.5	61.1	59.7	+0.4	+1.8	20.7	20.5	19.6	+0.2	+1.1
106.8	106.0	99.7	+0.8	+7.1	32.1	31.9	30.2	+0.2	+1.9
134.9	135.3	129.1	-0.4	+5.8	56.7	56.5	55.5	+0.2	+1.2

NOTE: Prepared by the Arizona Department of Economic Security, Research Administration, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Nonmetropolitan Counties
Labor Force and Employment
December 1989

	Apache	Cochise	Coco-nino	Gila	Graham	Green-lee	La Paz
CIVILIAN LABOR FORCE*	14,350	34,900	42,525	12,350	8,875	2,850	5,550
Total Unemployment	1,375	1,825	2,550	900	525	225	300
Rate	9.6%	5.2%	6.0%	7.3%	5.9%	7.9%	5.4%
Rate (Seas. Adj.)**	10.7%	5.5%	5.9%	7.3%	6.3%	8.2%	5.3%
Total Employment	12,975	33,075	39,975	11,450	8,350	2,625	5,250

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

	Apache	Cochise	Coco-nino	Gila	Graham	Green-lee	La Paz
TOTAL WAGE AND SALARY	15,300	26,250	39,825	11,000	5,850	2,800	3,800
Manufacturing	925	1,275	3,300	1,400	225	50	350
Mining & Quarrying	50	175	200	1,275	0	1,575	75
Construction	850	850	1,800	450	225	100	200
T.C.P.U.	1,850	1,650	2,025	400	175	50	100
Trade	1,600	6,100	9,700	2,500	1,500	225	1,225
F.I.R.E.	350	675	850	300	100	25	100
Services & Misc.	4,400	4,975	10,050	2,100	975	125	925
Government	5,275	10,550	11,900	2,575	2,650	650	825

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	33,425	26,900	38,950	11,150	38,350	53,375
Total Unemployment	1,475	1,900	2,050	975	1,625	5,050
Rate	4.4%	7.1%	5.3%	8.7%	4.2%	9.5%
Rate (Seas. Adj.)**	4.3%	7.6%	5.7%	10.6%	4.1%	16.6%
Total Employment	31,950	25,000	36,900	10,175	36,725	48,325

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
TOTAL WAGE AND SALARY	23,900	21,450	31,600	10,900	26,925	29,250
Manufacturing	2,600	2,075	4,275	1,275	2,325	2,400
Mining & Quarrying	100	1,150	3,750	0	825	50
Construction	2,150	1,175	1,175	375	2,275	1,375
T.C.P.U.	1,175	1,750	950	675	1,050	1,125
Trade	7,500	4,250	5,875	4,550	7,400	9,000
F.I.R.E.	1,100	350	850	275	975	975
Services & Misc.	5,400	4,925	4,175	1,875	6,275	6,525
Government	3,875	5,775	10,550	1,875	5,800	7,800

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities
F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Estimated Hours and Earnings of Production Workers in Selected Industries
Arizona

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Dec.* 1989	Nov. 1989	Dec. 1988	Dec.* 1989	Nov. 1989	Dec. 1988	Dec.* 1989	Nov. 1989	Dec. 1988
Manufacturing	421.93	422.35	413.66	41.9	41.9	41.7	10.07	10.08	9.92
Aicraft & Missiles	654.58	634.65	INA	46.0	45.3	INA	14.23	14.01	INA
Food & Kindred Prod.	341.75	340.38	326.58	39.6	38.9	39.3	8.63	8.75	8.31
Primary Metals	482.30	485.45	503.87	37.1	36.5	39.8	13.00	13.30	12.66
Machinery	384.52	393.38	411.26	39.6	40.1	40.8	9.71	9.81	10.08
Copper Mining	577.58	586.04	525.10	43.2	43.8	40.8	13.37	13.38	12.87
Construction	431.22	432.03	420.64	37.4	36.8	36.2	11.53	11.74	11.62
Utilities	703.12	695.70	640.48	44.0	43.4	42.5	15.98	16.03	15.07
Retail Trade**	251.75	255.64	242.22	33.3	33.2	33.0	7.56	7.70	7.34
Wholesale Trade	374.79	379.82	369.72	39.0	38.6	39.0	9.61	9.84	9.48

Estimated Hours and Earnings of Production Workers in Selected Industries
Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Dec.* 1989	Nov. 1989	Dec. 1988	Dec.* 1989	Nov. 1989	Dec. 1988	Dec.* 1989	Nov. 1989	Dec. 1988
Manufacturing	445.60	444.37	439.95	42.6	42.2	42.1	10.46	10.53	10.45
Construction	451.58	451.40	439.56	37.6	37.0	37.0	12.01	12.20	11.88
Retail Trade**	260.95	267.26	267.81	33.2	33.2	33.9	7.86	8.05	7.90
Wholesale Trade	392.82	394.29	391.44	39.4	39.0	39.7	9.97	10.11	9.86

Estimated Hours and Earnings of Production Workers in Selected Industries
Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Dec.* 1989	Nov. 1989	Dec. 1988	Dec.* 1989	Nov. 1989	Dec. 1988	Dec.* 1989	Nov. 1989	Dec. 1988
Manufacturing	371.69	378.87	386.16	38.2	38.7	40.1	9.73	9.79	9.63
Copper Mining	613.01	630.84	578.34	43.2	43.9	42.0	14.19	14.37	13.77
Construction	373.32	380.09	388.07	36.6	37.3	37.1	10.20	10.19	10.46
Utilities	577.28	561.82	584.22	38.9	38.8	41.2	14.84	14.48	14.18

* Preliminary.

** Excudes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs

December 1989

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,705,546	1,613,532	92,014	5.4%
Apache	14,355	12,971	1,384	9.6
Cochise	34,904	33,069	1,835	5.3
Coconino	42,525	39,963	2,562	6.0
Gila	12,344	11,441	903	7.3
Graham	8,884	8,360	524	5.9
Greenlee	2,852	2,621	231	8.1
La Paz	5,557	5,260	297	5.3
Maricopa	1,051,319	1,014,876	36,443	3.5
Mohave	33,401	31,938	1,463	4.4
Navajo	26,902	24,996	1,906	7.1
Pima	316,428	305,594	10,834	3.4
Pinal	38,950	36,895	2,055	5.3
Santa Cruz	11,137	10,169	968	8.7
Yavapai	38,330	36,717	1,613	4.2
Yuma	53,372	48,314	5,058	9.5

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

The Arizona Labor Force in December

(Continued from page 9)

discuss over-the-year growth in jobs. We prefer to leave that discussion, however, until benchmarking is completed in February.

Every year at this time the Current Employment Statistics (CES) program checks monthly estimates from its establishment survey with the quarterly reports of employers, employees and wages (ES-202 reports) compiled from unemployment insurance (UI) files. This is a way of comparing estimates developed from reports of a sample of about 4,000 Arizona employers against administrative reports from more than 90 percent of all Arizona employers.

The UI reporting lag of about six months only permits benchmarking 1989 data to the first quarter of ES-202 data, while 1988 is again benchmarked against all four quarters of 1988 ES-202 information. Consequently, revised estimates will be made for 1988 and 1989.

The DES, Research Administration, will discuss over-the-year change for 1989 with the release of January statistics and as part of its annual forecast release in late February.

(Continued on page 15)

(Continued from page 14)

Returning to December's performance, trade added 8,100 jobs; 1,100 in wholesale and 7,000 in retail. Wholesale trade's growth was more than seasonal by about 400 statewide. About 300 of the more-than-seasonal 400 was in Maricopa County, and 100 was in Pima County.

Retail trade had more-than-average seasonal growth in department stores and restaurants, and less-than-average growth in food stores. The grocery wars seem to have cooled, and perhaps a readjustment is occurring from earlier expansion.

Services added 3,000 jobs. Hotels, businesses, and health services all grew about as seasonally expected, but the "other services" group that includes amusement and recreation services (particularly, the racetracks) added a more-than-seasonal 1,300.

Finally, among the growth industries, TCPU had a good December. Transportation was 50 percent above its average, adding 900. Communication and public utilities, which usually do not grow at all in December, picked up 200.

The down side of the economy remained the goods-producing group of industries. Nationally, much was made of the car manufacturers' doldrums. The Big Three all announced at least temporary layoffs through the holidays to work off inventories. In Arizona, manufacturing again showed no growth.

Since semiconductor components are used in cars, Arizona can expect to suffer some when the domestic car industry is hurting. Machinery, and aircraft and missiles each dropped a 100. Only more of the same can be expected with planning for reduced national defense budgets under way with a vengeance in Congress.

In earlier months, there was some growth in manufacturing among the nondurable-goods producers even as durable-goods producers languished. In December, nondurables also declined, dropping 100 each in food and kindred products, and in apparel manufacturing.

Construction continued its limbo dance in December, down another 1,900 for the month to 87,500, a level it had not seen since January 1984. We can only continue to ask, "How low can you go?" Every time we ask, it gets lower.

The related industry of finance, insurance, and real estate (FIRE) was limbo dancing to the same tune in 1988; however, throughout 1989 FIRE has been edging back up, recovering 2,500 of 1988's lost jobs. It ended the year at a level of 93,300, still 1,500 below March 1988's peak. FIRE gained 200 over-the-month.

--Ron Simon
RA Economic Analysis Manager

New Developments

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the Arizona LMI Newsletter is not responsible for incorrect information reported by these sources.

MANUFACTURING -- A joint venture headed by **International Business Machines (IBM)** to produce chips for American-made micro-computers is only a faded memory, due to a lack of interest and an increased supply of

(Continued on page 16)

(Continued from page 15)

Japanese-made chips. The consortium known as **U.S. Memories** had narrowed down a location for a $1 billion chip-making plant to four cities -- including Phoenix -- before deciding in mid-January to pull the plug on the project, which was expected to employ up to 2,000 people. The state of Arizona had offered several incentives to lure the project, including tax breaks on land where the plant would be built.

Work is on track for **Motorola Inc.'s** $350 million office and production complex on its Chandler campus that will house the company's **Application Specific Integrated Circuits Division**. With an office building set to open in September and a 264,000-square-foot research and wafer-production facility to begin operation in 1991, the entire 430,000-square-foot project is expected to create 250 new jobs when completed. Motorola's current employment in Chandler is 800. The new buildings are necessary to accommodate the manufacture of an advanced generation of customized integrated circuits -- semi-custom microchips --, the brains of computers.

AmerEco Environmental Services, which specializes in recycling used solvents and waste oil from garages, has laid off 22 employees in Phoenix and Kingman because of financial woes. The Department of Defense cancelled a $2.2 million contract with AmerEco, which is under investigation by the U.S. Environmental Protection Agency and other federal agencies concerning alleged mishandling of waste materials at its Kingsville, Mo., operation.

Tucson-based **Shape West** laid off 60 employees in its data storage cartridge unit in late January, coming on the heals of the termination of 130 workers earlier in the month in its floppy disk division. Only 25 employees, primarily engineers, remain at the plant to work on a new type of videotape. Stiff competition from Asian companies is blamed for the problems of Shape West, which employed 350 people in 1988.

One part of **McDonnell Douglas'** operations in Arizona is soaring, while another is taking a nose dive. The aviation company says it will expand its workforce at its Yuma testing facility with 500 temporary employees for final testing of the $90 million MD-11 widebody passenger jet. **McDonnell Douglas Helicopter Co.**, however, is laying off 400 people from its 5,200-person work force in conjunction with the winding down of production of the Apache attack helicopter for the Defense Department. The company is also delaying plans for expansion of its light-helicopter facilities, which will produce the new MDX and MD 520N/530N helicopters.

Loral Defense-Systems-Arizona has laid off 250 employees -- 25 percent of its personnel -- due to cutbacks in its defense-related business. Loral, which builds radar-reconnaissance systems and missile-transport and launch systems, has let go 600 workers over the past three years.

Smith's Food & Drug Centers is planning to build a West Coast distribution facility and ice cream manufacturing plant in Goodyear or Tolleson, which could employ as many as 700 people. The Salt Lake City-based supermarket chain, which has been expanding rapidly in the Phoenix area, also is considering moving its headquarters to Goodyear or Tolleson. Smith's operates 95 supermarkets in eight western states.

TRW Safety Systems of Mesa has announced plans to expand its airbag manufacturing operation. TRW has filed an application with the Mesa Planning Department to add a second

(Continued on page 17)

(Continued from page 16)

plant in Mesa by 1993 that could employ an additional 1,300 people. The air-bag company reported sales of $820 million in 1989.

Siemens Transmission Systems, which manufactures and markets telecommunications equipment, eliminated 120 jobs at its Phoenix headquarters in January due to a company consolidation. Most of Siemens' Phoenix operations will merge with a sister unit in Boca Raton, Fla., with a smaller division -- Carrier Products Group -- being formed in Phoenix and Albuquerque. No information is available about how many workers remain in Phoenix.

Arizona Trend, a monthly business magazine published in Phoenix, has stopped publication after three years of operation. Owned by St. Petersburg, Fla.-based Trend Magazines Inc., *Arizona Trend* had a circulation of under 30,000.

CONSTRUCTION -- **Continental Homes** of Scottsdale and **UDC Homes** of Tempe ranked 1 and 2 in sales in the Phoenix area in 1989. Continental sold 1,136 homes, down from 1,290 in 1988, while UDC Homes sold 1,103, up from 981 the year before. Rounding out the Top 10 builders for the Phoenix area were: Del Webb (625), General (426), Pulte (389), US Homes (349), Knoell/Shea (299), Ryland (294), Emerald (288), and Richmond American (275).

Indianapolis-based development company **Melvin Simon & Associates Inc**. is negotiating with Mesa developer **Conley Wolfswinkel** to build a regional shopping mall in the East Valley. The 800,000-square-foot development would be located on the northeast corner of Alma School and Holmes in Mesa. Simon and a group of Scottsdale developers broke ground on the 1.3 million-square-foot **Scottsdale Galleria**, Scottsdale and Camelback roads, in July. If the first project goes through, it would be one of five regional malls either planned or completed in the Southeast Valley.

A $125 million resort featuring an 18-hole golf course, 50-room lodge, and 50 guest houses, and golf and tennis clubhouse is under development by **Pinnacle Peak Partners**. The project, called **Estancia**, will be a vacation-oriented facility owned by 1,625 members located near Pinnacle Peak and Dynamite Boulevard.

When will the boom times end for Laughlin, Nev.? Not in the foreseeable future apparently, as another major hotel complex was announced for the Nevada gambling resort across from the Colorado River from Bullhead City. The latest project, planned by Phoenix-based **McCarthy Western Constructors Inc**. and Japanese-owned **JDC (America) Corp**., is the $1 billion **Emerald River Hotel and Casino**, which will feature two hotel towers, 6,000 rooms, 800,000 square feet of casino space, 1 million square feet of convention space, and an 18-hole golf course.

FINANCE, INSURANCE and REAL ESTATE -- Almost all of the state's major banks lost money through the third quarter of 1989, with banks overall in Arizona losing $463 million. In addition, for the first three months of 1989, Arizona banks' non-performing loans increased 7.8 percent and assets fell 6 percent.

The recently opened **Two Renaissance** building in downtown Phoenix is 65 percent leased. The 28-story, 490,000-square-foot office tower, bounded by Washington Street, First Avenue, Adams Street, and Central Avenue, is anchored by the law firm of Lewis and Roca, and Pinnacle West Corp.

Security Pacific Corp. of Los Angeles, which consolidated its western credit

(Continued on page 18)

(Continued from page 17)

-card operations last year and moved to Tempe, has hired about half of its employees. An additional 250 to 300 employees will be hired during the rest of 1990. About 450 of its total credit-card workforce will be from Arizona, Security Pacific says.

SERVICES -- East Valley-St. Luke's Behavioral Health Center, which had operating losses of $3.4 million over the past three years, closed Feb. 1. The closing of the psychiatric, and drug- and alcohol-treatment facility, part of a joint venture of St. Luke's Health System and Chandler Regional Hospital, eliminated 85 jobs, but some workers were expected to be hired by other St. Luke's facilities.

TRANSPORTATION, COMMUNICATIONS AND PUBLIC UTILITIES (TCPU) -- Dallas-based **Southwest Airlines** is considering building an aircraft maintenance facility in Phoenix. The operation would service planes used primarily in Arizona and California.

TRADE -- **Dillard's** is currently expanding and renovating its Valley operation. In December, the department-store chain opened a remodeled-Fiesta Mall store, and early in February a 60-percent larger new store replaced its operation at the Paradise Valley Mall. Seventy-five full- and part-time jobs are being created by the new Paradise Valley store, at Tatum and Cactus roads. New stores are also under construction at the Scottsdale Fashion Square (Scottsdale and Camelback roads), and in the Superstition Springs Mall (Power Road and Superstition Freeway) in Mesa. The latter two are expected to open in June and November, respectively.

After getting a foothold in the rest of the state, **Wal-Mart Stores Inc**. is making its move in the Valley with plans to build or building under way on three stores and negotiations ongoing for three additional locations. Locations set to open in 1990 are in Glendale (Bell Road and 59th Avenue), Chandler (Alma School and Warner roads), and Mesa (Signal Butte and Highway 69 East). The three stores under negotiation, which could employ as many as 700 people, are in northeast and west Phoenix, and Peoria. Arkansas-based Wal-Mart, which has 275,000 employees in 1,367 stores nationwide, currently has 15 stores in Arizona, including three locations which were expected to open in January in Green Valley, Lake Havasu City, and Bullhead City. Stores in Yuma and Prescott are also expected to open later this year.

Home Express, a California-based retail chain, closed its two Valley locations, both unprofitable, in January. An unspecified number of employees lost their jobs due to the closure.

El Pollo Loco, not to be confused with El Pollo Asado, opened three stores -- two in Mesa and one in Goodyear -- in the past two months. The Irvine-Calif.-based charbroiled-chicken chain, a subsidiary of Denny's Restaurants, now has seven Phoenix-area locations and says it expects to have 15 Valley stores by the end of 1991. Phoenix-based El Pollo Asado, also a charbroiled-chicken chain, has filed for bankruptcy protection and closed all its company-owned locations in Arizona, although 25 franchise stores in Arizona, California, Nevada, and Rhode Island remain open.

Revco D.S. Inc., the nation's largest drugstore chain, plans to sell more than 700 stores in 17 states, including 102 stores in Arizona. The move is prompted because of high debt Revco assumed from a $1.5 billion leveraged buyout in 1986. Current employees -- about 12 per store -- will be retained by eventual buyers, Revco says.

Coming on the heels of a reduction in

(Continued on page 19)

(Continued from page 18)

custodial and security personnel in December, **Smitty's** supermarkets announced it is eliminating 90 positions, mostly managers. The layoffs at Smitty's, which operates 24 stores in the Phoenix area, are part of the supermarket chain's restructuring plan.

The $34 million **Bell Canyon Pavillions** shopping center, Bell Road and Interstate 17, is scheduled to open by the end of April. Major tenants include an Albertson's grocery superstore, Supersaver Cinema, Paddock Pool & Patio, Dobb's Furniture, Oshman's Sporting Goods, and Popular Outfitters.

Renovated **Los Arcos Mall**, Scottsdale and McDowell roads, has eight new stores: They include: a bakery, Treats Cafe; four restaurants, Taquitos Real, Karmel Korn, Orange Julius, and Dairy Queen; Sam Goody, a music and video store; Amy's Hallmark; Kay Jewelers; Gold Art Creations; and an AT&T Phone Center.

Three D Departments Inc. of Costa Mesa, Calif., is considering expanding and remodeling the eight-store **Linens Plus** chain it acquired in December. In addition to Linens Plus, Three D operates 28 outlets in Connecticut and California specializing in bed and bath products.

TJ Maxx, an off-price retail chain, is opening four stores in Arizona -- two in Phoenix, and one each in Mesa and Tucson -- in late April. The Tucson store, located at 6230 N. Oracle Road, is expected to employ up to 100 workers. DES Job Service will help screen applicants for positions at all of the stores.

An $11.5 million project in **South Phoenix**, which will feature 192,000-square-feet of retail space, is expected to employ up to 400 people by 1991. Located within the $35 million Southgate Center, at Central Avenue and Baseline Road, the development will feature two major parts -- the 95,000-square-foot **Parkway Plaza**, anchored by a K mart, and the 97,000-square-foot **Central Plaza**, which will include a Mega Foods, Revco Drugs, and Pistol Pete's Pizza. Mega Foods is expected to open in May and K mart in July.

GOVERNMENT -- **Pima County** is eliminating 22 permanent and 16 temporary positions -- 40 percent of staff -- in its Planning and Development Services Department due to lack of activity in the development and construction business. The county is attempting to find similar classification jobs for employees -- primarily inspectors -- before layoffs are completed by the end of March. In a related matter, Pima County is facing a $2.8 million deficit and is studying ways to cut back, including reducing workers' family health benefits and asking for volunteers to work 32-hour workweeks.

MISCELLANEOUS - - A petition has been filed with the National Labor Relations Board (NLRB) by nurses and other staff at **Scottsdale Memorial Hospital** to request a vote to determine if a union will represent them. The NLRB was expected to conduct a hearing in late January to determine if at least 30 percent of those eligible for union membership favored a union. The petition showed 750 employees would join a union represented by the Scottsdale Memorial Professional Association and the United Nurses Association of California.

50465-1

ARIZONA LABOR MARKET INFORMATION NEWSLETTER

Vol. XIV No. 3
March 1990

Unemployment Rate

Seasonally Adjusted
January*

ARIZONA	–	4.5%
Maricopa Co.	–	3.8
Pima Co.	–	3.7
United States	–	5.3

Consumer Price Index

U.S. – January 1990
Base = 1982-84

Wage Earner/Clerical Worker	–	125.9
% Chg. Year Ago	–	5.2
All Urban	–	127.4
% Chg. Year Ago	–	5.2

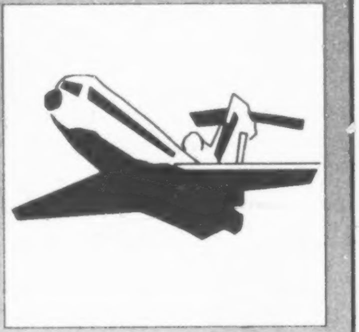
Phoenix – 4th Qtr 1989
Base = 1982-84

All Urban	–	127.8
% Chg. Year Ago	–	4.3

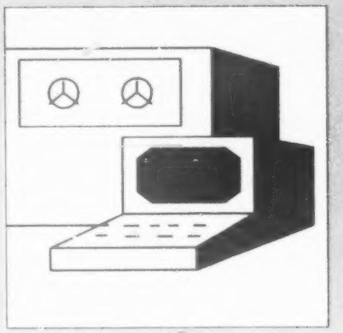
Tucson – 4th Qtr 1989
Base = 1982-84

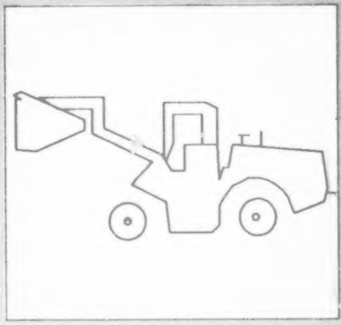
All Urban	–	128.8
% Chg. Year Ago	–	3.6

* Preliminary



Forecast '90-'91





Inside This Issue

Page
Arizona's Economy Continues to Churn Along 2
National Variables Affect State's Performance 3
The Arizona Labor Force in Jan[illegible] 9
Arizona Labor Force Statistics 10
New Developments 15

Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency

State's Economy Keeps Rolling Despite Rocky Areas

Job Growth Tops '89 Expectations, Forecast to Mirror Nation in Near-Term

Forecast '90-'91

Despite all the hoopla concerning the health, or lack of it, of Arizona's economy, 1989's performance was much better than many doomsday predictions.

The recent past has been a time when Arizona's economy moved in the direction of the nation's economy, and toward slow, but steady growth. Although several sectoral problems still exist within the state's economy, the outlook for Arizona over the short term is positive, with the state enjoying wage and salary employment growth at or above the national rate for the foreseeable future.

> *Nationally, there is concern that current job losses in automobiles and steel will spread to other sectors of manufacturing or the whole economy. At home, the uncertainty of the demand for high-tech and defense-related manufactured goods is causing concern.*

An important measure of Arizona's economic performance is the unemployment rate. The annual average rate for 1989 was 5.2 percent, a drop of 1.1 percentage points from 1988 and nearly equal to the 5.3 percent rate for the United States. It appears, at least on the surface, that Arizona's overall economic performance was similar to that of the nation.

ARIZONA LMI NEWSLETTER
SITE CODE 733A
P.O. BOX 6123
PHOENIX, AZ 85005-6123
(602) 542-3871
Brent Fine, Editor
Linda Van Calcar, Word Processor

The Department of Economic Security, Research Administration, forecasts Arizona's unemployment rate to drop slightly in 1990 to 4.9 percent, because the number of unemployed continues to shrink and is unlikely to return to 1989 levels until summer. In 1991, the unemployment rate will bounce back to 5.2 percent as news of Arizona job growth becomes more widely known, drawing more people into the labor force.

Revised wage and salary statistics show that Arizona created jobs at an annual rate of 2.7 percent in 1989. This corresponds closely with the national rate of 2.8 percent. Industries responsible for the majority of the state's growth were services and trade, and to a lesser extent, government; transportation, communications, and public utilities (TCPU); and mining. Growth would have been greater i~~f not~~ for job losses in construction; finance, insurance, and real estate (FIRE); and manufacturing.

Nationally, there is concern that current job losses in automobiles and steel will spread to other sectors of

(Continued on page 3)

Factors Outside State Affect Arizona's Economic Health

In forecasting Arizona's employment levels, a basic premise holds true: external events can and do influence the state's economy. Examples include oil price fluctuations and natural disasters at one extreme; and on the other, much subtler economic variables that describe the health of the national and international economies, such as the inflation rate.

A discussion of key variables, or assumptions, is necessary in order to understand how the forecasts are derived. Factoring in revised employment and unemployment data, Research Administration uses the variables to drive its Arizona Employment Forecasting Model (AEFM). The AEFM is a 250-equation econometric model that simulates various economic scenarios to produce two-year employment projections for Arizona as a whole and substate regions (e.g., Maricopa and Pima counties).

Research Administration has chosen The WEFA Group (Wharton Econometric Forecasting Associates) as an advisor on the future course of the national economy. Following is a discussion of national economic variables projected by WEFA that are considered important in influencing Arizona's economy.

Real Gross National Product (GNP), after experiencing a sluggish fourth quarter in 1989, is expected to expand slowly by the end of 1990. WEFA expects GNP to grow at a snails-pace rate of 1.8 percent in 1990 and slightly faster in 1991, at 2.5 percent.

Inflation, as measured by percent change in the U.S. Consumer Price Index for all urban consumers (CPI-U), is expected to moderate somewhat from 1989's rate of 4.8 percent. CPI-U will increase 4.1 percent in 1990 and 4.0 percent in 1991.

Interest rates are expected to ease slightly in response to a weak economy. The Federal Reserve, however, has been maintaining a tight monetary policy to fight inflation and not necessarily stimulate growth. The prime lending rate of major banks is expected to decline from a 1989 average of 10.87 percent to the 10.0 percent range in 1990 and remain stable through 1991. The federal funds rate is expected to also decline, averaging about 8.0 percent in 1990 and 8.5 percent in 1991.

Dramatic increases in the price of oil, as evidenced in the '70s and early '80s, can throw the economy into a tailspin. However, the price of oil is expected to only rise slightly from its $18.13 per-barrel average in 1989 to $18.25 per barrel in 1990, then decrease somewhat in 1991 to $17.50 a barrel.

Key Variables

- **Gross National Product**
- **Inflation**
- **Interest Rates**
- **Oil Prices**
- **Dollar**
- **Consumer Spending**

The dollar, after gaining 4.0 percent in 1989, is expected to shed value in 1990 by decreasing 4.2 percent. More of the same is expected in 1991 as the dollar falls 3.5 percent.

Finally, consumer spending is expected to weaken in 1990 with growth around 2.4 percent, compared to 1989 growth of 2.7 percent. Growth in consumer spending in 1991 will remain sluggish as well, coming in at 2.3 percent.

–DES, Research Administration

(Continued from page 2)

manufacturing or the whole economy.

At home, the uncertainty of the demand for high-tech and defense-related manufactured goods is causing concern.

In 1989, employment in Arizona's manufacturing industry decrease 0.5 percent. The forecast for manufacturing in 1990 calls for an additional decrease of 0.3 percent. But in 1991, this industry will rebound and grow

(Continued on page 4)

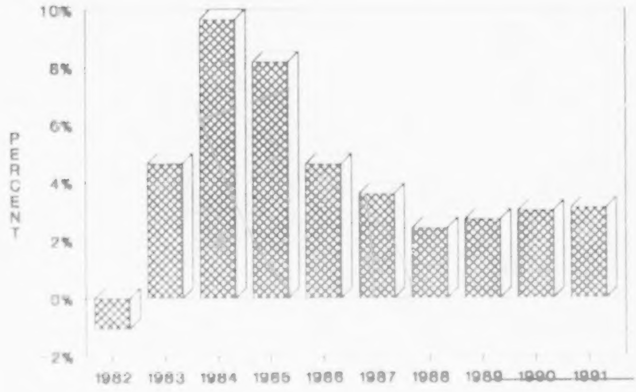
(Continued from page 3)

at a rate of 2.0 percent, as demand for electric machinery and other durable goods accelerates.

Arizona's mining industry, after reducing staff by half in the early 1980s, is once again healthy and growing. Increased productivity and technological advances, coupled with relatively high copper prices, have produced record profits in this industry.

In 1989, the mining industry created jobs at a rate of

(Continued on page 5)



Source: Arizona Dept. of Economic Security, Research Administration, February 1990.

Figure 1. Arizona Wage and Salary Employment Growth Rates, 1982-1991

Table 1. Arizona Wage and Salary Employment, 1989-1991

	1989	Growth Rate	1990	Growth Rate	1991	Growth Rate
Labor Force	1,706.0	3.1%	1,730.5	1.4%	1,771.1	2.3%
Unemployment	89.0	-14.4%	85.2	-4.3%	92.9	9.0%
Unemployment rate	5.2%		4.9%		5.2%	
Total Employment	1,617.0	4.3%	1,645.3	1.8%	1,678.2	2.0%
Total Wage and Salary Employment	1,457.2	2.7%	1,500.3	3.0%	1,546.9	3.1%
Manufacturing	188.0	-0.5%	187.4	-0.3%	191.1	2.0%
Mining	12.2	2.5%	12.6	3.3%	12.9	2.4%
Construction	85.9	-8.2%	80.6	-6.2%	80.7	0.1%
TCPU*	76.8	3.6%	79.5	3.5%	82.1	3.3%
Trade	366.7	4.4%	381.7	4.1%	393.0	3.0%
FIRE**	92.6	-1.7%	94.2	1.7%	95.2	1.1%
Services	389.0	5.7%	410.1	5.4%	429.8	4.8%
Government	246.1	3.8%	254.4	3.4%	262.2	3.1%

*TCPU = Transportation, Communications and Public Utilities
**FIRE = Finance, Insurance, and Real Estate

NOTE: Totals may not add due to rounding.

Source: Arizona Dept. of Economic Security, Research Administration, February 1990.

(Continued from page 4)

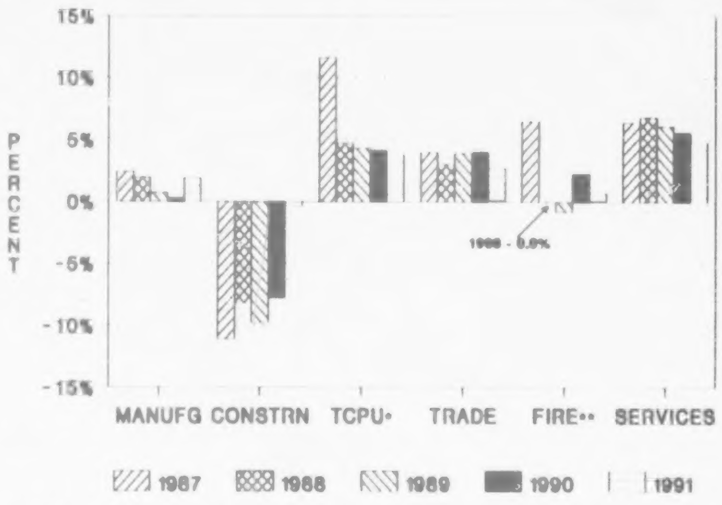
2.5 percent. Research Administration forecasts modest job growth of 3.3 percent in 1990. The following year growth will slacken to 2.4 percent, as world copper supplies rise and cause prices to fall.

Arizona's construction industry continued to lose employment in 1989, sliding 8.2 percent. The oversupply of property and buildings in almost every facet of real estate -- combined with little hope for reduced interest rates because of inflationary fears -- portends continued recession for Arizona's construction industry.

The 1990 forecast calls for further weakening of this depressed industry, with a 6.2 percent drop in employment. In 1991, the industry will stabilize with 0.1 percent job growth as inflation subsides and interest rates drop.

TCPU expanded 3.6 percent in 1989, with the transportation and communications sectors being responsible for the bulk of this growth.

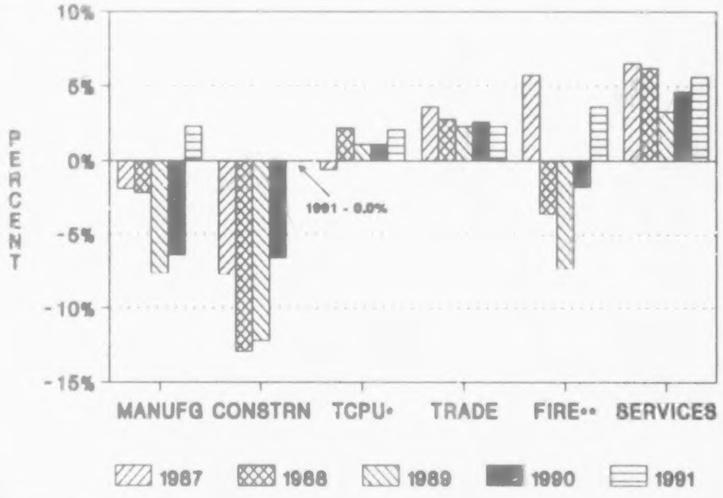
(Continued on page 7)



*TCPU = Transportation, Communications and Public Utilities
**FIRE = Finance, Insurance, and Real Estate

Source: *Arizona Dept. of Economic Security, Research Administration, February 1990.*

Figure 2. Maricopa County Wage and Salary Employment Growth Rates, 1987-1991



*TCPU = Transportation, Communications and Public Utilities
**FIRE = Finance, Insurance, and Real Estate

Source: *Arizona Dept. of Economic Security, Research Administration, February 1990.*

Figure 3. Pima County Wage and Salary Employment Growth Rates, 1987-1991

Table 2. Maricopa County Wage and Salary Employment, 1989-1991

	1989	Growth Rate	1990	Growth Rate	1991	Growth Rate
Labor Force	1,060.7	3.2%	1,075.6	1.4%	1,103.3	2.6%
Unemployment	45.4	-13.5%	44.3	-2.4%	48.7	9.9%
Unemployment rate	4.3%		4.1%		4.4%	
Total Employment	1,015.3	4.1%	1,031.4	1.6%	1,054.6	2.2%
Total Wage and Salary Employment	963.1	2.6%	991.6	3.0%	1,019.8	2.8%
Manufacturing	139.3	0.7%	139.7	0.3%	142.3	1.9%
Mining	0.9	28.6%	1.0	11.1%	1.0	0.0%
Construction	57.9	-9.8%	53.4	-7.8%	53.2	-0.4%
TCPU*	53.6	4.3%	55.8	4.1%	57.9	3.8%
Trade	247.6	3.9%	257.6	4.0%	264.5	2.7%
FIRE**	74.3	-0.8%	75.9	2.2%	76.4	0.7%
Services	262.8	6.1%	277.4	5.6%	290.7	4.8%
Government	126.8	3.2%	130.7	3.1%	133.9	2.4%

*TCPU = Transportation, Communications, and Public Utilities.
**FIRE = Finance, Insurance, and Real Estate.

NOTE: Totals may not add due to rounding.

Source: *Arizona Dept. of Economic Security, Research Administration, February 1990.*

Table 3. Pima County Wage and Salary Employment, 1989-1991

	1989	Growth Rate	1990	Growth Rate	1991	Growth Rate
Labor Force	316.0	1.3%	318.9	0.9%	325.1	1.9%
Unemployment	14.1	-11.9%	14.0	-0.7%	14.7	5.0%
Unemployment rate	4.5%		4.4%		4.5%	
Total Employment	301.9	2.0%	305.0	1.0%	310.5	1.8%
Total Wage and Salary Employment	250.0	0.2%	254.1	1.6%	263.2	3.6%
Manufacturing	28.0	-7.6%	26.2	-6.4%	26.8	2.3%
Mining	2.1	16.7%	2.2	4.8%	2.3	4.5%
Construction	15.1	-12.2%	14.1	-6.6%	14.1	0.0%
TCPU*	9.5	1.1%	9.6	1.1%	9.8	2.1%
Trade	58.5	2.3%	60.0	2.6%	61.4	2.3%
FIRE**	11.4	-7.3%	11.2	-1.8%	11.6	3.6%
Services	71.7	3.3%	75.0	4.6%	79.2	5.6%
Government	53.7	3.9%	55.6	3.5%	58.0	4.3%

*TCPU = Transportation, Communications, and Public Utilities.
**FIRE = Finance, Insurance, and Real Estate.

NOTE: Totals may not add due to rounding.

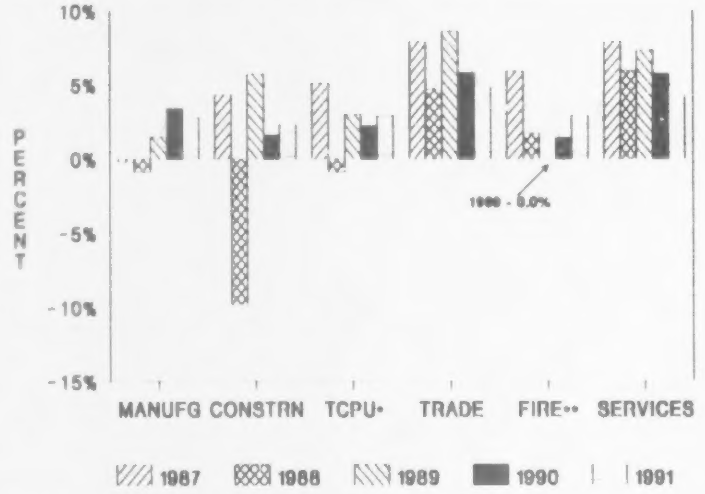
Source: *Arizona Dept. of Economic Security, Research Administration, February 1990.*

(Continued from page 5)

However, as in-migration accelerates, activity in public utilities will increase. Employment growth in TCPU is forecast to rise 3.5 percent in 1990. The following year growth will decrease slightly to 3.3 percent.

Trade grew at a healthy rate of 4.4 percent in 1989. Consumer confidence, as reflected by sales, produced job growth in every sector of trade. However, expectations are that consumer spending will slow slightly in the coming years.

(Continued on page 8)



*TCPU = Transportation, Communications and Public Utilities
**FIRE = Finance, Insurance, and Real Estate

Source: Arizona Dept. of Economic Security, Research Administration, February 1990.

Figure 4. Nonmetropolitan Counties Wage and Salary Employment Growth Rates, 1987-1991

Table 4. Nonmetropolitan Counties Wage and Salary Employment, 1989-1991

	1989	Growth Rate	1990	Growth Rate	1991	Growth Rate
Labor Force	329.3	4.7%	336.0	2.0%	342.6	2.0%
Unemployment	29.6	-16.6%	27.0	-8.8%	29.5	9.3%
Unemployment rate	9.0%		8.0%		8.6%	
Total Employment	299.8	7.5%	308.9	3.0%	313.2	1.4%
Total Wage and Salary Employment	244.0	5.4%	254.6	4.3%	263.8	3.6%
Manufacturing	20.7	1.5%	21.4	3.4%	22.0	2.8%
Mining	9.2	-2.1%	9.4	2.2%	9.6	2.1%
Construction	12.9	5.7%	13.1	1.6%	13.4	2.3%
TCPU*	13.7	3.0%	14.0	2.2%	14.4	2.9%
Trade	60.5	8.6%	64.0	5.8%	67.1	4.8%
FIRE**	6.9	0.0%	7.0	1.4%	7.2	2.9%
Services	54.5	7.3%	57.6	5.7%	60.0	4.2%
Government	65.6	4.8%	68.0	3.7%	70.2	3.2%

*TCPU = Transportation, Communications and Public Utilities
**FIRE = Finance, Insurance, and Real Estate

NOTE: Totals may not add due to rounding.

Source: Arizona Dept. of Economic Security, Research Administration, February 1990.

(Continued from page 7)

As a result, employment growth in trade in 1990 will run at a 4.1 percent clip, and moderate further to 3.0 percent in 1991.

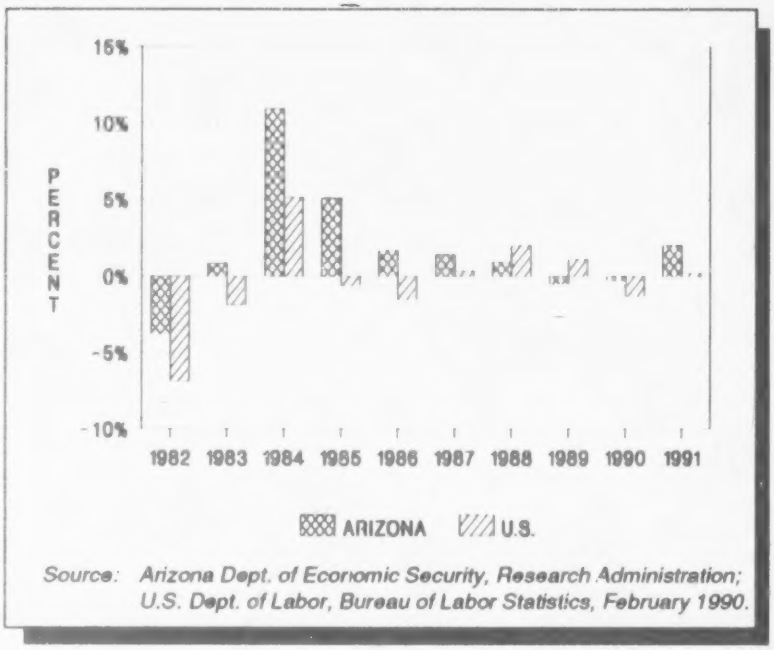
Employment in FIRE has been depressed in part because of problems associated with the construction industry. However, increased activity in finance and real estate is expected as word of Arizona's renewed economic vigor becomes widely known in communities outside the state. After declining 1.7 percent in 1989, employment in FIRE in 1990 will grow 1.7 percent. In 1991, employment growth will average 1.1 percent.

By far, services has been the bright spot in Arizona's economy. Being the largest single employment sector -- slightly larger than trade -- and having the highest growth rate (5.7 percent), services created 21,000 jobs in 1989.

In-migration and increased activity in other sectors of Arizona's economy will insure that services continues to be the largest source of new jobs in the future. The forecast for 1990 calls for 5.4 percent growth, with growth slowing slightly to 4.8 percent in 1991.

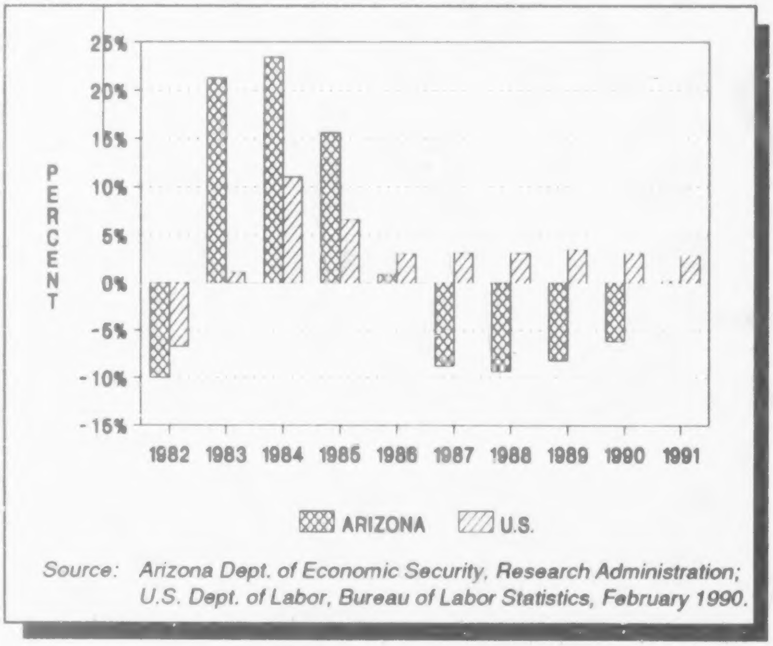
Employment in government grew at a rate of 3.8 percent

(Continued on page 9)



Source: Arizona Dept. of Economic Security, Research Administration; U.S. Dept. of Labor, Bureau of Labor Statistics, February 1990.

Figure 5. Arizona vs. U.S. Manufacturing Employment Growth Rates, 1982-1991



Source: Arizona Dept. of Economic Security, Research Administration; U.S. Dept. of Labor, Bureau of Labor Statistics, February 1990.

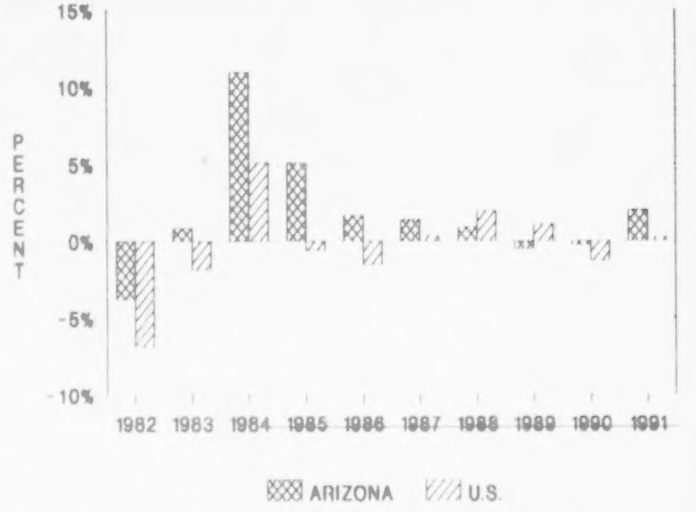
Figure 6. Arizona vs. U.S. Construction Employment Growth Rates, 1982-1991

(Continued from page 8)

in 1989. Population growth will demand continued infrastructure expansion in almost all levels of government. Governmental employment in 1990 will increase at a rate of 3.4 percent, and in 1991, 3.1 percent.

Arizona's economy, after several lackluster years, appears to be off and running again. As word of Arizona's improving fortunes spreads, it will entice people and companies to relocate, which will further diversify the state economy and raise levels of employment and unemployment.

--Marc A. Marra
RA Economist



Source: *Arizona Dept. of Economic Security, Research Administration; U.S. Dept. of Labor, Bureau of Labor Statistics, February 1990.*

Figure 7. Arizona vs. U.S. Unemployment Rates, 1982-1991

The Arizona Labor Force in January

Arizona's unemployment rate rose to 4.5 percent in January from a revised December rate of 4.4 percent. The rate edged up because 5,600 joined the ranks of the unemployed, raising total unemployment to 73,700.

The unemployment rate increase was small considering there were 22,000 fewer employed in January. The labor force was 16,400 smaller than in December, a common occurrence as many part-time, Christmas-season workers returned to prior pursuits. Since May 1989, the labor force has been in continuous decline, shrinking by 42,800, or 2.4 percent.

Nonfarm wage and salary employment took its usual January dip, dropping a little more than 25,000 jobs. Arizona's over-the-year job growth during 1989, however, was more than might have been expected given weakness in construction, real estate, and manufacturing. The number of jobs grew a healthy 3.5 percent as the state added 50,400 jobs between January 1989 and January 1990.

Nonmetropolitan counties set the pace with growth of 3.8 percent, while Pima County jobs grew 1.1 percent. Maricopa County ranked close to the state level, growing 3.4 percent. (These rates reflect "benchmarked" (revised) estimates for the first half of 1989, which were derived by comparing original estimates with 1989 first- and second-quarter Unemployment Insurance employment data.)

All major industry groups -- except

(Continued on page 14)

Arizona Labor Force and Employment

January 1990 (in thousands)

	ARIZONA				
				Amount Change	
	Jan.* 1990	Dec. 1989	Jan. 1989	Dec.- Jan.	1989- 1990
TOTAL CIVILIAN LABOR FORCE**	1681.2	1697.6	1667.6	-16.4	+13.6
Total Unemployment	73.7	68.1	88.2	+5.6	-14.5
Rate	4.4	4.0	5.3	----	----
Rate (Sea. Adj.)***	4.5	4.4	5.4	----	----
Total Employment	1607.5	1629.5	1579.4	-22.0	+28.1

The Above Labor Force Statistics Should N

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

TOTAL WAGE AND SALARY	1481.7	1507.1	1431.3	-25.4	+50.4
Manufacturing	187.2	188.5	187.7	-1.3	-0.5
Durable Goods	141.7	142.7	143.7	-1.0	-2.0
Stone, Clay, and Glass	7.6	7.7	7.4	-0.1	+0.2
Primary and Fabricated Metals	15.7	15.9	15.5	-0.2	+0.2
Primary Metals	7.7	7.8	7.8	-0.1	-0.1
Fabricated Metals	8.0	8.1	7.7	-0.1	+0.3
Machinery	59.1	59.7	62.2	-0.6	-3.1
Aircraft and Missiles	26.1	26.0	25.5	+0.1	+0.6
Lumber and Wood Products (Excluding Furniture)	7.6	7.7	7.4	-0.1	+0.2
Nondurable Goods	45.5	45.8	44.0	-0.3	+1.5
Food and Kindred Products	9.6	9.8	9.4	-0.2	+0.2
Printing and Publishing	16.7	16.8	16.5	-0.1	+0.2
Mining and Quarrying	12.7	12.5	12.3	+0.2	+0.4
Copper Mining	9.7	9.5	9.3	+0.2	+0.4
Construction	82.0	83.7	84.9	-1.7	-2.9
Trans., Communications, & Public Utilities	78.5	79.6	74.3	-1.1	+4.2
Transportation	43.1	44.1	38.6	-1.0	+4.5
Communications and Public Utilities	35.4	35.5	35.7	-0.1	-0.3
Trade	378.6	385.8	361.5	-7.2	+17.1
Wholesale Trade	78.0	78.4	73.4	-0.4	+4.6
Retail Trade	300.6	307.4	288.1	-6.8	+12.5
General Merchandise and Apparel	47.8	51.4	45.5	-3.6	+2.3
Food Stores	50.7	51.6	47.8	-0.9	+2.9
Automotive and Service Stations	34.9	35.3	34.5	-0.4	+0.4
Eating and Drinking Places	105.0	105.1	101.2	-0.1	+3.8
Finance, Insurance, and Real Estate	93.7	93.7	91.4	+0.0	+2.3
Services and Miscellaneous	399.5	402.1	378.2	-2.6	+21.3
Hotels and Other Lodging Places	44.3	44.5	41.5	-0.2	+2.8
Business Services****	74.3	75.7	70.2	-1.4	+4.1
Health Services	99.1	98.9	94.9	+0.2	+4.2
Government	249.5	261.2	241.0	-11.7	+8.5
Federal	45.6	45.9	44.3	-0.3	+1.3

* Preliminary

** Labor force, unemployment, and employment are reported by place of residence.

*** Normal seasonal variations have been eliminated to reflect underlying economic trends.

**** Business Services undergoes a series break between December 1987 and January 1988 as a result of the 1987 SIC realignment.

January 1990 (in thousands)

MARICOPA COUNTY					PIMA COUNTY				
			Amount Change					Amount Change	
Jan.* 1990	Dec. 1989	Jan. 1989	Dec.- Jan.	1989- 1990	Jan.* 1990	Dec. 1989	Jan. 1989	Dec.- Jan.	1989- 1990
1045.6	1053.5	1036.4	-7.9	+9.2	305.4	310.9	310.1	-5.5	-4.7
38.8	35.5	46.0	+3.3	-7.2	11.3	10.3	13.7	+1.0	-2.4
3.7	3.4	4.4	---	---	3.7	3.3	4.4	---	---
3.8	3.6	4.5	---	---	3.7	3.5	4.4	---	---
1006.8	1018.0	990.4	-11.2	+16.4	294.1	300.6	296.4	-6.5	-2.3

Be Used for Economic Assistance Programs

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

980.6	995.8	946.7	-15.2	+33.9	251.2	256.8	248.5	-5.6	+2.7
139.2	139.8	138.2	-0.6	+1.0	26.5	27.2	29.3	-0.7	-2.8
106.7	107.0	106.8	-0.3	-0.1	21.1	21.8	23.9	-0.7	-2.8
4.6	4.7	4.6	-0.1	+0.0					
10.7	10.8	10.6	-0.1	+0.1					
48.9	48.9	50.2	-0.0	-1.3					
32.5	32.8	31.4	-0.3	+1.1	5.4	5.4	5.4	+0.0	+0.0
6.5	6.5	6.0	+0.0	+0.5					
12.0	12.2	11.9	-0.2	+0.1					
1.0	1.0	0.8	+0.0	+0.2	2.3	2.1	2.1	+0.2	+0.2
55.3	55.8	58.5	-0.5	-3.2	14.2	14.6	15.1	-0.4	-0.9
55.2	55.8	52.2	-0.6	+3.0	9.5	9.7	9.0	-0.2	+0.5
32.4	33.0	29.1	-0.6	+3.3	4.8	5.0	4.2	-0.2	+0.6
22.8	22.8	23.1	+0.0	-0.3	4.7	4.7	4.8	+0.0	-0.1
256.3	260.7	246.0	-4.4	+10.3	59.5	61.3	57.3	-1.8	+2.2
62.0	62.4	58.7	-0.4	+3.3	7.6	7.8	7.1	-0.2	+0.5
194.3	198.3	187.3	-4.0	+7.0	51.9	53.5	50.2	-1.6	+1.7
29.9	32.4	29.2	-2.5	+0.7	7.3	7.7	7.5	-0.4	-0.2
32.9	33.4	30.6	-0.5	+2.3	8.0	8.3	8.0	-0.3	+0.0
22.2	22.6	21.8	-0.4	+0.4	5.7	5.8	5.8	-0.1	-0.1
67.5	66.9	65.4	+0.6	+2.1	19.5	19.9	18.7	-0.4	+0.8
75.5	75.5	73.1	+0.0	+2.4	11.2	11.4	11.5	-0.2	-0.3
270.6	272.8	255.7	-2.2	+14.9	73.3	73.6	70.8	-0.3	+2.5
28.1	28.4	25.8	-0.3	+2.3	6.6	6.5	6.5	+0.1	+0.1
59.8	61.1	57.0	-1.3	+2.8	9.9	10.1	9.3	-0.2	+0.6
64.2	64.1	61.5	+0.1	+2.7	21.5	21.2	21.0	+0.3	+0.5
127.5	134.4	122.2	-6.9	+5.3	54.7	56.9	53.4	-2.2	+1.3

NOTE: Prepared by the Arizona Department of Economic Security, Research Administration, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Nonmetropolitan Counties
Labor Force and Employment
January 1990

	Apache	Cochise	Coco-nino	Gila	Graham	Green-lee	La Paz
CIVILIAN LABOR FORCE*	14,300	35,400	42,725	12,575	7,200	2,775	5,575
Total Unemployment	1,750	2,000	2,925	1,050	550	250	350
Rate	12.2%	5.6%	6.8%	8.3%	7.6%	9.0%	6.3%
Rate (Seas. Adj.)**	12.4%	5.3%	6.0%	8.0%	7.6%	9.1%	6.0%
Total Employment	12,550	33,400	39,800	11,525	6,650	2,525	5,225

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

	Apache	Cochise	Coco-nino	Gila	Graham	Green-lee	La Paz
TOTAL WAGE AND SALARY	15,150	26,550	40,100	11,125	4,600	2,725	3,900
Manufacturing	875	1,250	3,200	1,400	200	25	325
Mining & Quarrying	50	150	325	1,325	0	1,600	75
Construction	725	875	1,675	325	175	75	175
T.C.P.U.	2,050	1,850	2,475	450	150	50	125
Trade	1,850	5,800	9,275	2,600	1,375	225	1,275
F.I.R.E.	425	650	675	300	100	25	100
Services & Misc.	4,150	5,175	10,575	2,050	850	125	950
Government	5,025	10,800	11,900	2,675	1,750	600	875

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	35,225	27,400	37,750	12,150	38,050	59,225
Total Unemployment	1,625	2,400	2,375	1,000	1,750	5,675
Rate	4.6%	8.8%	6.3%	8.2%	4.6%	9.6%
Rate (Seas. Adj.)**	4.4%	8.4%	6.6%	12.2%	4.1%	17.4%
Total Employment	33,600	25,000	35,375	11,150	36,300	53,550

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
TOTAL WAGE AND SALARY	25,650	22,000	30,100	12,050	26,950	29,075
Manufacturing	2,500	1,900	4,025	1,225	2,175	2,325
Mining & Quarrying	50	1,225	3,700	0	850	50
Construction	2,900	1,125	725	375	2,150	1,250
T.C.P.U.	1,125	1,675	1,025	750	1,050	1,050
Trade	7,750	4,325	6,325	5,675	7,500	8,875
F.I.R.E.	1,225	400	825	275	950	950
Services & Misc.	5,925	5,450	4,675	1,950	6,750	7,000
Government	4,175	5,900	8,800	1,800	5,525	7,575

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities
F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Estimated Hours and Earnings of Production Workers in Selected Industries
Arizona

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Jan.* 1990	Dec. 1989	Jan. 1989	Jan.* 1990	Dec. 1989	Jan. 1989	Jan.* 1990	Dec. 1989	Jan. 1989
Manufacturing	415.71	421.93	402.46	41.2	41.9	40.9	10.09	10.07	9.84
Aircraft & Missiles	625.80	654.58	592.30	44.7	46.0	44.5	14.00	14.23	13.31
Food & Kindred Prod.	337.65	341.75	345.02	38.9	39.6	40.4	8.68	8.63	8.54
Primary Metals	471.10	482.30	505.72	37.3	37.1	40.2	12.63	13.00	12.58
Machinery	374.42	384.52	395.20	38.6	39.6	40.0	9.70	9.71	9.88
Copper Mining	594.88	577.58	544.83	44.0	43.2	42.9	13.52	13.37	12.70
Construction	427.86	431.22	415.24	37.4	37.4	35.4	11.44	11.53	11.73
Utilities	718.61	703.12	674.00	40.9	44.0	43.4	17.57	15.98	15.53
Retail Trade**	257.19	251.75	240.96	33.1	33.3	32.0	7.77	7.56	7.53
Wholesale Trade	364.62	374.79	367.09	38.1	39.0	38.6	9.57	9.61	9.51

Estimated Hours and Earnings of Production Workers in Selected Industries
Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Jan.* 1990	Dec. 1989	Jan. 1989	Jan.* 1990	Dec. 1989	Jan. 1989	Jan.* 1990	Dec. 1989	Jan. 1989
Manufacturing	433.89	444.74	427.87	41.6	42.6	41.3	10.43	10.44	10.36
Construction	446.52	452.70	437.05	36.6	37.6	36.3	12.20	12.04	12.04
Retail Trade**	268.29	260.95	266.07	33.0	33.2	33.3	8.13	7.86	7.99
Wholesale Trade	382.00	392.82	384.54	38.2	39.4	39.0	10.00	9.97	9.86

Estimated Hours and Earnings of Production Workers in Selected Industries
Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Jan.* 1990	Dec. 1989	Jan. 1989	Jan.* 1990	Dec. 1989	Jan. 1989	Jan.* 1990	Dec. 1989	Jan. 1989
Manufacturing	355.05	371.13	372.49	37.1	38.3	38.6	9.57	9.69	9.65
Construction	371.47	378.30	389.34	36.1	36.8	36.8	10.29	10.28	10.58
Utilities	576.77	577.28	599.65	38.4	38.9	41.1	15.02	14.84	14.59

* Preliminary.

** Excudes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs
January 1990

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,681,237	1,607,540	73,697	4.4%
Apache	14,294	12,543	1,751	12.2
Cochise	35,410	33,410	2,000	5.6
Coconino	42,706	39,793	2,913	6.8
Gila	12,577	11,515	1,062	8.4
Graham	7,208	6,660	548	7.6
Greenlee	2,756	2,516	240	8.7
La Paz	5,573	5,223	350	6.3
Maricopa	1,045,546	1,006,787	38,759	3.7
Mohave	35,244	33,607	1,637	4.6
Navajo	27,382	24,990	2,392	8.7
Pima	305,392	294,125	11,267	3.7
Pinal	37,740	35,369	2,371	6.3
Santa Cruz	12,143	11,155	988	8.1
Yavapai	38,040	36,301	1,739	4.6
Yuma	59,228	53,547	5,681	9.6

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

The Arizona Labor Force in January

(Continued from page 9)

mining; and finance, insurance, and real estate (FIRE) -- lost employment in January. Mining added 200 over-the-month while FIRE held steady.

(It is seasonally normal for most industries to lose employment between December and January, but the lion's share of the loss occurs in government and trade. These two industries account for three-fourths of the total jobs lost.)

Even the goods-producers experienced a winter solstice, or end-of-calendar-year punctuation. Manufacturing and construction together dropped 3,000 jobs. Actually, January losses in both industries were a bit less than has been seasonally normal. That was especially true for construction, which lost 1,700, about 1,000 fewer than the average January loss since 1982.

The interesting news in January, however, was more in the over-the-year change now that 1989 labor force estimates have been benchmarked. Arizona gained 50,400 jobs last year. This reflects improved economic conditions since midyear and job growth equal to or ahead of population growth.

(Continued on page 15)

(Continued from page 14)

The state's nonmetropolitan counties enjoyed the strongest job creation in 1989. Although rural counties account for only 16.9 percent of the state's jobs, they garnered 27.0 percent of the new jobs created last year.

The second fastest growing area in Arizona was Maricopa County. Here, job growth and employment shares were nearly equal. The Phoenix metropolitan area accounts for about two-thirds of total statewide jobs (66.2 percent), and its share of job growth in 1989 was 67.3 percent.

The slowest growing area of the state in 1989 was Pima County. While approximately 17.0 percent of the state's jobs are in the Tucson metropolitan area, it received only 5.6 percent of the new jobs created last year.

Job growth by industry continues a pattern that has held over the last couple of years. The goods-producers are declining or stagnant while service-producers are picking up the slack. Manufacturing and construction together lost 3,400 jobs over-the-year from January to January. At the same time, the service sector added 53,400 jobs.

Trade and services accounted for 72 percent of the service-sector gain, but contributions of two other industries -- transportation, communications, and public utilities (TCPU); and FIRE -- have been significant. Transportation has been enjoying exceptional growth, especially among airlines, and FIRE experienced a partial recovery from its 1988 decline. And finally, government grew 3.5 percent, slightly faster than the rate of population growth.

– Ron Simon
RA Economic Analysis Manager

New Developments

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the Arizona LMI Newsletter is not responsible for incorrect information reported by these sources.

MANUFACTURING -- **Prescott** has scored 1 win and 1 loss in the job-development game. **Grand Rapids/Zimmerla Corp.**, a manufacturer of wood and glass showcases for department stores, will move its Los Angeles plant to the northern Arizona town of 25,000. Construction on a new plant, which would employ about 80 workers and pay from $5 to $9 an hour, is expected to begin in June. The luring of the L.A. company, however, is tempered with the decision of **Kimstock Inc.** of Santa Ana, Calif., not to move to Prescott. The manufacturer of fiberglass tubs and showers, which had expressed interest in bringing its plant and 200 jobs to Prescott, cited its inability to get necessary financing in Arizona and lack of a quick response from the City of Prescott and the state Commerce and Economic Development Commission as reasons for not coming. The commission says it was only given two months to act on Kimstock's request.

Goodyear recently suffered a significant economic blow when **Rymer Foods Inc.** reversed an earlier decision to build a chicken-processing plant in the small community 30 miles west of Phoenix. In November, Chicago-based Rymer announced it would build a 60,000-square-foot facility in

(Continued on page 16)

(Continued from page 15)

Goodyear that would employ 210 to 250 workers, but instead opted to build a plant in Oklahoma, saying Goodyear had high utility rates and property taxes.

The Phoenix-based subsidiary of a Japanese chemical company, MicroSi Inc., is increasing its Valley presence by bringing its product-development and manufacturing operations from Bristol, Tenn., to the **Phoenix Technology Park at 10028 S. 51st St.** MicroSi, which produces photolithography chemicals used in making semiconductor devices, has as its customers many of the Valley high-tech companies. Its workforce, consisting primarily of about 25 engineers and technicians, is expected to increase with the move.

Recontek Inc., a San Diego company that operates high-tech waste-recycling facilities, has applied for state and federal permits to build a plant in **Gila Bend**. If approval is given later this year, Recontek expects construction to take about a year to build a 66,000-square-foot plant that would employ around 180 workers and have a payroll of about $3.5 million. The company's recycling plants use several processes to recover a variety of metals -- gold, silver, tin, copper -- from high-tech industry wastes.

Sierra Environmental Systems Inc., which manufactures water filtration systems, has partially moved its operation from Phoenix to the White Mountain community of **Snowflake**. And when a new 5,000- to 7,000-square-foot production building and 20,000-square-foot warehouse are completed (no time available), the already hired and trained workforce will consist of 40 to 50 production and 10 to 15 warehouse employees.

CONSTRUCTION -- Taking advantage of a booming market and a lack of housing, **Homes by Dave Brown**, a major Valley contractor, is planning three single-family home subdivisions in **Bullhead City**, across the Colorado River from the fast-growing gambling town of Laughlin, Nev. The Tempe company's first subdivision will be Mountain View Ranch, a 206-acre community eight miles south of Bullhead City that will feature three floor plans ranging from 900 square feet to 2,200 square feet and will be priced from $59,900 to $115,000.

The **City of Phoenix** has awarded **PCL Construction Services** a $20 million contract to build the international concourse for **Sky Harbor International Airport Terminal 4**. The 176,000-square-foot concourse will feature three floors and a 760-foot transfer bridge when the terminal opens in February 1991.

FINANCE, INSURANCE and REAL ESTATE -- As would be expected, 1989 was a year to forget for the **Valley real estate market**, as some recently released statistics show. But there also were some signs that the worst is over, say several analysts who spoke recently at the Arizona Real Estate Center's "Outlook '90" conference. First, the bad news: construction permits in Maricopa County dropped from 44,574 in 1988 to 36,264 in 1989; nearly 100 builders went out of business or left the Valley last year; for the third straight year office rent's declined; and the apartment vacancy rate remained a high 13 percent, while the industrial-space vacancy rate was an astronomical 31 percent. However, there is a positive side: home buyers are being offered more incentives, which helped boost sales of single-family homes in the fourth quarter of

(Continued on page 17)

(Continued from page 16)

'89; office space absorption should nearly equal space added this year; and the outlook for the industrial sector is the best in five years, primarily because of less speculative lending.

The number of foreclosures in the Phoenix area continued its upward climb -- from 15,472 (valued at $3.3 billion) in 1988 to 17,828 (valued at $4.4 billion) in 1989 -- according to the *Foreclosure Update Newsletter*. And foreclosures are expected to rise in 1990 an additional 15 to 25 percent over '89 totals unless enough new jobs are created to offset layoffs and in-migration, says Ralph Shattuck, publisher of the newsletter.

SERVICES -- **Mayo Clinic-Scottsdale** plans to break ground in May on a $30 million expansion of its facility off Shea Boulevard. Plans call for a $25.2 million addition that will mirror its present building and a $5 million research center. When the buildings are completed in about two years, the sister facility of the renowned Minneapolis facility will be able to increase its number of physicians, from 84 to 120, and support personnel, from 500 to 750.

The **Valley hotel occupancy rate** (64 percent) for 1989 increased for the first year since 1984 and is expected to reach 66 percent in 1990, the highest rate since 1985, say industry analysts at the accounting firm of **Laventhol & Horwath**. Fewer new hotel and resort rooms helped improve the occupancy rate, with resorts experiencing the largest rise in '89, up 6.8 percent. Meanwhile, the addition of more than 800 rooms in the past year to the Flagstaff area and more on the way is expected to put a crimp in the pockets of smaller Route 66-era motel owners. Predictions include smaller motels will have to remodel, go out of business, or become low-rent apartments.

Valley-based **Best Western International** has moved its reservations center to north Phoenix and will be hiring seasonal workers through July, its peak demand for hotel rooms. The hotel chain, now located near Interstate 17 and Beardsley Avenue, expects to increase employment from 250 to 500 by summer -- 40 higher than last year -- and says peak employment will rise to between 800 and 1,000 by 1997.

Arizona has become a target area of **Super 8 Motels**, an Aberdeen, S.D.-based chain with 675 locations, almost all owned by franchisees. Currently, 17 motels are open in the state, with five under construction or in the development phase in Williams, Yuma, Phoenix, Page, and Sedona.

The owner of the **Arizona Biltmore** has filed for protection under Chapter 11 of the U.S. Bankruptcy Code in order to reduce its debts. **Lepercq/DBL Biltmore Associates**, which has owned the famous five-star resort since 1984, wants to refinance its $167 million in obligations or sell the hotel by May 15.

Arizona's dry and sunny weather may make it the auto-testing capital of world. **Toyota Motor Corp**. has announced it plans to build one of the world's largest auto testing tracks -- 4 x 2 miles -- on 6,200 acres about 50 miles northwest of Phoenix. The 22-square-mile facility, which would also include a 7,000-foot-long landing strip and three wind tunnels, is expected to employ 100 to 150 workers. Meanwhile, Chandler-based **Sun Test Engineering Inc**. has purchased 2,700

(Continued on page 18)

(Continued from page 17)

acres near **Casa Grande** in hopes of getting several auto manufacturers to go in on a facility for testing car materials and replacement parts. Sun Test, a subsidiary of the Arizona Car Care Centers, previously helped put together the Nissan-Calsonic testing center in Casa Grande.

Entrepreneur Judson Smith hopes Arizona also becomes the world's car-care capital. Smith is building at Paradise Valley Mall the first of 10 new **Carousel Car Care Centres**, which will offer car washes, lubes, oil changes, detailing, tune-ups, fuel, and tire changes. The auto-care facility will also have a unique feature -- an amusement-park atmosphere that will include walkways, ponds, and retail shops.

"**All Aboard!**" will be heard more frequently and sooner than expected from the **Grand Canyon Railway** this year as passenger demand has caused the Williams-to-Grand Canyon train to move up its 1990 opening date from April 1 to March 1 and add a second train in April, two month's ahead of last year's schedule. In its second year of operation, the Grand Canyon Railway expects to carry 200,000 passengers and make a profit by the end of this year. Employment, currently at 150, is expected to grow to 800 when a planned 400-room hotel and theme park are completed across Interstate 40 from Williams. No date for construction of these projects has been announced.

The **Arizona Design Centre**, which is home to companies and manufacturer's representatives that sell products to the interior-design and furnishings industry, has signed four new tenants -- all fabric houses -- and announced plans to add a 110,000-square-foot second phase to its 138,000-square-foot facility at 3600 E. University Drive, Phoenix. The first phase of the design center, owned by **Birtcher**, a California development company, is 70 percent leased and has 15 tenants.

DHL Worldwide Express has laid off 28 workers from its customer-service center in Tempe, bringing its workforce to 180, and is holding off plans for consolidating its U.S. customer-service operations due to problems with its computer system. DHL, the world's largest international air-express company, had expected to add 320 employees at the Tempe facility in 1990.

TRANSPORTATION, COMMUNICATIONS AND PUBLIC UTILITIES (TCPU) -- **Arizona Public Service Co. (APS)**, the state's largest utility, has offered an early retirement program to 850 of its 8,200 employees, citing a need to cut costs. APS, which is already eliminating 200 jobs this year through attrition, says it hopes that 400 employees who are at least 50 years old and have 10 years of service will take the early-retirement package, which offers full benefits and cash supplements.

TRADE -- Despite an overall slow-growing Arizona economy -- due mainly to problems in manufacturing and construction -- the retail trade sector continues to expand rapidly, particularly in the metropolitan areas. Quite a few national and regional chains recently announced expansion plans or will open new stores in March or April, primarily in the greater Phoenix area. The announcements included: eight additional **Walgreen's** drug stores; the third **Price Savers** warehouse in the Valley; three to four new outlets of **Linens Plus**, a speciality bedding store; 12 new

(Continued on page 19)

(Continued from page 18)

Rally's hamburger restaurants; and two **Circuit City** electronics locations, one in Phoenix and Mesa. Chains that are opening new locations in March and April include: speciality clothier **Harris and Frank** at Paradise Valley Mall; four locations of off-price retailer **TJ Maxx**, two in Phoenix and one each in Mesa and Tucson; and the state's fourth **HomeClub**, a home-improvement store, in Tempe.

Phoenix-based Yellow Front Stores Inc. has filed for protection from creditors under Chapter 11 of U.S. Bankruptcy Code and is trying to pare its operations dramatically in order to save its remaining stores, 133 as of late February. Claiming it's strapped for cash, the 44-year-old general-merchandise chain has requested emergency approval to conduct going-out-of-business sales in about 30 stores throughout Arizona so that it can use the proceeds to replenish stock of other locations.

Smith's Food & Drug Stores Inc., in a stiff battle with other supermarket chains in the state, has retreated in one area -- backing off from previous plans to build a store in **Show Low**. A decision by Fry's Food Stores of Arizona to open the second store in the Show Low and Pinetop-Lakeside area (Safeway owns the other) scuttled the plans of Smith's, which says the White Mountain area cannot support three supermarkets at this time. Smith's instead will build a store in Globe. However, a smaller chain, **BUY 4 LE$$**, has entered the Show Low market. BUY 4 LE$$ says it offers deep-discounted goods (up to 50 percent) by carrying damaged merchandise, private label products and special purchases.

MISCELLANEOUS -- **K mart** and **developers of a Holiday Inn** are finding tough sledding in **Flagstaff** from environmentalists and planning and zoning officials. K mart, which wants to build a 86,000-square-foot store in **Gateway Center**, near interstates 17 and 40, has drawn criticism because of proposals to cut down nine acres of trees on a 10-acre site it plans to use. The Holiday Inn proposal, which would be next door to the proposed K mart, has been delayed because the developer wants a 10-story building, while the planning commission has recommended a limit of six floors. The developer says a smaller building is not economically viable, but the city says that a tall building will block the view of Humphreys Peak as tourists drive into Flagstaff.

Beginning April 1, Phoenix-based **U-Haul International Inc**. will deduct $5 from paychecks of employees who smoke or weigh more or less than standards the company sets. As an example, employees who are 5'8" must pay $5 every two weeks if they do not weigh between 111 and 195 pounds. U-Haul, which pays health-care premiums for employees and spouses, blames a $4.2 million increase in insurance premiums over the past three years for its new policy. One Phoenix attorney says the company is opening itself up for lawsuits.

The **Tucson Business Coalition**, a group representing the interests of Tucson's small businesses, was formed in February and hopes to have 2,000 businesses signed on as members within the next six months. The Tucson group, inspired by a local radio business forum, will have four initial areas of interest: taxes, permits, regulations, and government attitudes toward business.

Arizona Labor Market Newsletter
LABOR MARKET INFORMATION PUBLICATIONS
Site Code 733A
P.O. Box 6123
Phoenix, Arizona 85005

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, $300

ADDRESS CORRECTION REQUESTED

POSTAGE & FEES PAID
EMPLOYMENT SECURITY MAIL
LAB 449
FIRST CLASS MAIL

If you do NOT desire to continue receiving this publication, please check here ☐ and re

If your address has changed, please indicate change and return this cover to the addre

This periodical is issued and printed by the Arizona De
authorized by the Wagner-Peyser Act and is paid out of
Department of Labor.

as
U.S.

Reproduction of this publication for commercial use is prohibited by Section 39-121, Arizona Revised Statutes. Permission to reprint this publication, or parts of it, for nonprofit use may be granted upon written request, if credit will be given citing this publication and the Arizona Department of Economic Security.

S0465-1B

ARIZONA
LABOR MARKET INFORMATION NEWSLETTER

Vol. XIV No. 4
April 1990

Unemployment Rate

Seasonally Adjusted
February*

ARIZONA	–	4.8%
Maricopa Co.	–	3.9
Pima Co.	–	3.7
United States	–	5.3

Consumer Price Index

U.S. – February 1990
Base = 1982-84

Wage Earner/Clerical Worker	–	126.4
% Chg. Year Ago	–	5.2
All Urban	–	128.0
% Chg. Year Ago	–	5.3

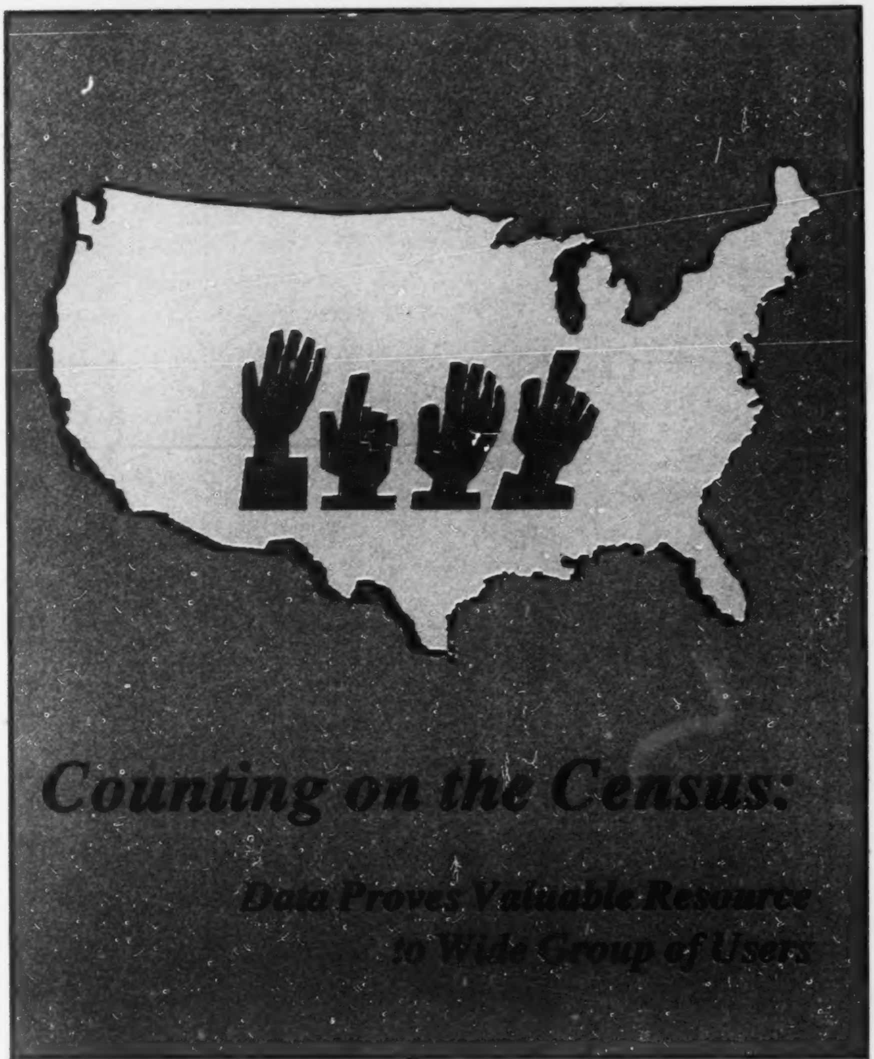
Phoenix – 1st Qtr 1990
Base = 1982-84

All Urban	–	131.5
% Chg. Year Ago	–	6.3

Tucson – 1st Qtr 1990
Base = 1982-84

All Urban	–	130.1
% Chg. Year Ago	–	3.9

* Preliminary


Counting on the Census:
Data Proves Valuable Resource to Wide Group of Users

Inside This Issue

Page
Census Offers Variety of Information to Public 2
New Developments 7
One-fifth of Americans Performing Volunteer Work 9
The Arizona Labor Force in January 9
Arizona Labor Force Statistics 10
Health Insurance Made Available to Small Businesses 15

DES Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency

From A to Z, Census Offers Variety of Data to Public

Decennial Tabulation Has More Up for Grabs Than Political Power, Federal Dollars

A form of census patriotism has engulfed the country over the last several months. From California to the New York island, and from the Gulfstream waters to the redwood forests, slogans such as "You Count" and "Put Yourself in the Picture" have been extolling the virtues of participating in a 200-year tradition. In 1990, that means answering 14 or so questions (if you're the lucky ones) on housing and population characteristics.

In Arizona, benefitting from the state's rapid growth during the last decade, the media, government agencies and politicians have been gearing up for "The Big Count" for several years in anticipation of a potential "pot 'o gold" at the end of a long or short census form. Residents are dutifully reminded that a good count not only means extra money for local and state projects, but the possibility of two additional seats (instead of one) in the U.S. House of Representatives.

No doubt about it, the economic and political rewards are significant. Federal dollars that will be distributed (an estimated $38 to $50 billion) based on the census to state and local governments and agencies over the next decade can make the difference between being able to afford a new school building or public library, or funding homeless housing or park projects. And federal aid is particularly important to cities and counties with small populations, because their limited revenue base may rule out the possibility of building necessary projects on their own.

CENSUS '90

ARIZONA LMI NEWSLETTER
SITE CODE 733A
P.O. BOX 6123
PHOENIX, AZ 85005-6123
(602) 542-3871
Brent Fine, Editor
Linda Van Calcar, Word Processor

But while the benefits of an accurate count are readily apparent to government agencies, politicians, planners, developers, and researchers, "average" citizens, minority or disadvantaged groups, or small businesspersons may be saying, "When all the hoopla is over, what's in the census for me?"

Maybe plenty, if they're interested in a microscopic snapshot of national and local-area population, socioeconomic, and housing characteristics. Demographic data covering almost every thinkable (and unthinkable) aspect of American society is

(Continued on page 3)

Table 1. Types of Data Available from Census Reports.

Data Products

✓ **Printed Reports** — Most convenient and readily available source of census data; published in tabular form.

✓ **Computer Tapes** — Provide more detail than printed reports; all tabulated figures, whether in print or not, appear on computer tapes.

✓ **Microfiche** — Present a subset of tabulations for block statistics found in summary tape files.

✓ **Online Information system** — The Census Bureau's online data service, CENDATA™ will provide up-to-the-day information about the availability of data products and selections of state, county, metropolitan statistical area, and place data from the Public Law tape file; accessed through a personal computer (via modem) and available through two information vendors: CompuServe and DIALOG.

✓ **Compact Disk (CD-ROM)** — These 4 3/4-inch laser disks can hold the contents of approximately 1,500 flexible diskettes, or three or four high-density tapes; will contain Public Law tape file and other summary tape files.

✓ **Custom Data Programs** — Census Bureau will provide data and special tabulations for locally defined geographic areas that are not included in standard products; requester required to pay a fee in many cases.

Maps and Geographic Files

✓ **Maps** — Necessary for almost all uses of small-area census data, census maps locate specific geographic areas and study the spatial relationship of the data for analytical purposes; a variety of maps will be offered, including county block maps, county subdivision maps, and census tract/BNA outline maps.

✓ **Geographic Code Dictionary** — Report that shows the 1990 Geographic Identification Code Scheme (GICS) for states, counties, county subdivisions, places, and certain other areas, along with descriptive information.

✓ **Machine-Readable Geographic Files** — The Census Bureau has developed an automated geographic data base, known as the TIGER (Topologically Integrated Geographic Encoding and Referencing) Systems, which will allow the production of various geographic products. Software to use the TIGER data base, which will be released in several formats, must be purchased from outside vendors.

(Continued from page 2)

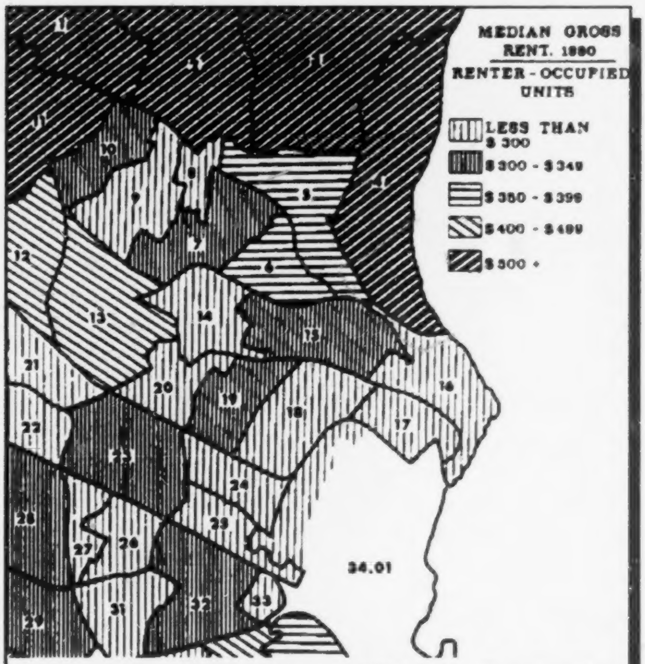
currently being collected and tabulated and will be made available over the next several years.

In addition, although the Census Bureau's function is frequently only thought of in context with its famous decennial process, the Bureau is responsible for other censuses and numerous other reports. In years ending in "2" and "7" the Census Bureau conducts a census of government and economic activities, compiling statistics on employment and finances of state and local governments, as well as major industry groups (e.g., construction, trade, manufacturing). The Bureau also prints reports from monthly, quarterly and annual surveys of U.S. economic activities it conducts, and compiles data on foreign trade as well as on other countries' economies.

Following are some examples of how Census Bureau data may be of value to various segments of society:

- Census statistics could be an important tool for deciding where to start a business and in obtaining financing. Companies commonly use a variety of census data -- household size, income, age, and

(Continued on page 4)



Source: Reprinted from Census ABC's, U.S. Department of Commerce, Bureau of the Census.

Figure 1. The Arlington County, Va., Department of Community Affairs Added Shading to a Census Tract Map to Show Rent Patterns.

(Continued from page 3)

education -- to define markets, target advertising, forecast sales, and pinpoint new locations.

- Minority groups and the disadvantaged will want to use census statistics to ensure their neighborhood or group receives proper representation in several areas: federal funding for social and health services, as well as for schools, libraries and roads; correct percentage breakdowns for "employment status by sex and minority status," used in affirmative action planning information; and fair representation when political boundaries are redrawn in 1991.

- Churches, synagogues and other places of worship benefit from the census, despite the fact there are no questions asked about religious preference. Religious groups use data about age, family structure, income level, and ethnic backgrounds to plan community-assistance programs (e.g., housing assistance and food banks). The census helps to understand the "sociological, ethnic and demographic characteristics of a community," says Pastor William L. Robinson of the University of New Mexico's Christian Student Center.[1]

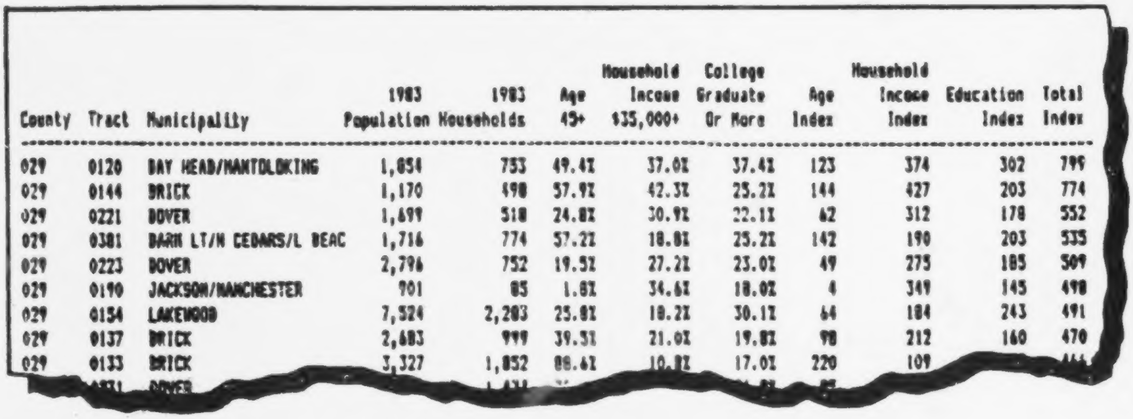
- Someone contemplating moving across town or across country could use census data to analyze characteristics of neighborhoods -- number of children, parents, income, number of schools, recreational facilities, and even the number of licensed child care centers.

OK, the Census Bureau offers a veritable smorgasbord of data. But how and in what form can it be accessed?

As in the past, the Census Bureau will release over a period of a few years following the decennial census a standard variety of media forms -- printed reports, computer tapes, microfiche, and maps (Table 1). But a few electronic twists have been added for Census '90.

For the first time the Bureau

(Continued on page 5)



County	Tract	Municipality	1983 Population	1983 Households	Age 45+	Household Income $35,000+	College Graduate Or More	Age Index	Household Income Index	Education Index	Total Index
029	0120	BAY HEAD/MANTOLOKING	1,854	753	49.4%	37.0%	37.4%	123	374	302	799
029	0144	BRICK	1,170	498	57.9%	42.3%	25.2%	144	427	203	774
029	0221	DOVER	1,699	518	24.8%	30.9%	22.1%	62	312	178	552
029	0381	BARN LT/N CEDARS/L BEAC	1,716	774	57.2%	18.8%	25.2%	142	190	203	535
029	0223	DOVER	2,796	752	19.5%	27.2%	23.0%	49	275	185	509
029	0190	JACKSON/MANCHESTER	901	85	1.8%	34.6%	18.0%	4	349	145	498
029	0154	LAKEWOOD	7,524	2,203	25.8%	18.2%	30.1%	64	184	243	491
029	0137	BRICK	2,683	999	39.3%	21.0%	19.8%	98	212	160	470
029	0133	BRICK	3,327	1,852	88.6%	10.8%	17.0%	220	109		

Source: Reprinted from Census ABC's, U.S. Department of Commerce, Bureau of the Census.

Figure 2. Census tables, like the one above, can be used for a variety of research work.

(Continued from page 4)

will offer data to personal computer users via compact disks (CD-ROM) and CENDATA™, its on-line computer information service. The former is accessed through PC disk drives and the latter through telephone line transmission by using a modem. In addition, for those wanting to produce computer-generated maps, coordinate-based digital information will be available on computer tape and CD-ROM thanks to an automated data base called the TIGER (Topologically Integrated Geographic Encoding and Referencing) System.[2]

Printed reports are the most convenient and readily available source of information (23 major reports -- 14 on population, nine on housing), while products on tape cover the same data as printed reports, but usually contain more detail. In addition to the regularly released material, for a fee the Census Bureau will compile special tabulations for a specific geographic area or subject matter not included in the standard products.

There are a number of ways to obtain this cornucopia of census calculations. Two options are to either order products directly from the Census Bureau, or if in a hurry, calling or visiting a Bureau office. Lists of data products available to the public can be found in several Bureau publications, including the *Monthly Product Announcement* and *Census Catalog and Guide* (Table 2). And the Bureau has specialists in Washington D.C. and 12 regional offices who answer routine, as well as technical questions, and also conduct workshops, seminars, and training courses.

(Continued on page 6)

(Continued from page 5)

For Arizonans who prefer not to call or visit the nearest census office (Los Angeles), the Population Statistics Unit of DES, Research Administration which will be involved with the census tabulations all along the way -- from collection to publication -- operates Arizona's State Data Center. Established in 1978 as a joint project with the Census Bureau, state data centers provide direct response to queries on census information and access to data products, as well as education and training on available products and guidance in their use.

Other sources of census information include the National Clearinghouse for Census Data Services, National Services Program (NSP), and depository libraries. The first of this group is a listing of organizations and private companies that assist in finding and using census data. The NSP is a coordinating mechanism between the Census Bureau and groups representing minorities and other segments of society which have been historically undercounted in the census. Finally, 1,400 libraries around the country -- mainly public libraries in Arizona -- and 120 Census Bureau depository libraries keep a variety of publications on hand.

Table 2. Some Reference Material and Product Information Available from the Census Bureau.

1990 Census of Population and Housing Tabulation and Publication Program — Free report that gives complete descriptions of 1990 products, estimated publication dates, and comparison of 1990 products with those of 1980.

Census ABC's — *Applications in Business and Community* — Free report that highlights key facts about the 1990 census and shows ways data can be used.

Census '90 Basics — Free report that gives an overview of the components of the census, along with lists of data products and other reference materials.

1990 Census of Population and Housing Guide — Primary guide to the 1990 Census that provides detailed information about the census and a comprehensive glossary of census terms.

Census and You — Census Bureau's monthly newsletter that gives the latest census developments, lists of new publications and tapes, and upcoming conferences and training courses. Provided by subscription ($12 a year).

Monthly Product Announcement — Free monthly listing of new Census Bureau data products. Provided free by subscription.

Census Catalog and Guide — Comprehensive annual description of data products (from 1980 to date), statistical programs, and services of the Census Bureau. Cost of 1989 edition was $21.

Source: Census '90 Basics, U.S. Department of Commerce, Bureau of the Census.

Additional information on the 1990 Census is available in publications listed in Table 1, or by calling Research Administration's Population Statistics Unit at 542-5984, or the Denver Regional Census Center at (303)969-7750.

1. Census Snapshots, U.S. Census Bureau, Denver Regional Census Center, March 1990.

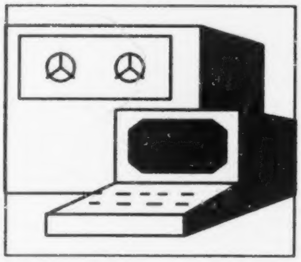
2. Software to use the TIGER System data files must be purchased from outside vendors.

--Brent Fine
Arizona LMI Newsletter Editor

New Developments

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the Arizona LMI Newsletter is not responsible for incorrect information reported by these sources.

MANUFACTURING -- Digital Equipment Co. says it will cut a little more than one-third of its 660-employee Phoenix workforce by July 1 due to a slump in the computer industry. Digital will offer workers either retraining and then relocation to another plant, or from 40 to 104 weeks of severance pay. The Phoenix facility, which makes computers and printers, will be turned into primarily a customer-service center that offers consultation, training and software-service programs. Digital's Tempe operations currently are not affected by the cuts.



Phoenix Newspapers Inc., parent company of *The Arizona Republic* and *The Phoenix Gazette*, has broken ground on an 290,000-square-foot plant in Deer Valley (north Phoenix) that will include robotic equipment and four, 4-story presses capable of producing 80,000 newspapers an hour. When completed in the spring of 1992, the $128 million complex at 19th Avenue and Williams Drive is scheduled to employ more than 600 workers.

Learjet Corp., which employs about 300 workers in Tucson, has asked a federal bankruptcy court to allow it to sell the business jet manufacturer for $75 million to **Bombardier Inc.** of Montreal, Canada. Learjet's parent company, Integrated Resources Inc. is undergoing bankruptcy reorganization and cites heavy debt as the reason it's seeking the sale.

Eyeing lower housing costs, **Sola/Barnes-Hind** of Sunnyvale, Calif., plans to move a portion of its operations to a building at 1100 E. Bell Rd. in Phoenix. Sola/Barnes-Hind, which makes contact lenses and lens-care products, expects to employ 200 when it moves its lens solution division to the Valley. The employment will partially offset the loss of about 800 jobs in Phoenix when Sola Ophthalmics (the company's name prior to a merger with Barnes-Hind) closed down a contact lens manufacturing plant in 1988 and '89.

Due to financing problems, **Cerama-Tile-USA** has delayed its move to Eloy until August, but will move expansion plans ahead two years. The New-York-based company, which will build a 220,000-square-foot plant on 150 acres that will open in 1992, expects to employ 500 workers in the Pinal County town by 1991. The residential and industrial ceramic tile maker originally planned to wait several years before increasing initial employment of 250. All but 2 percent of CeramaTile's workforce will be hired locally.

Rumors are circulating that **General Instrument Corp.** is considering building a new plant near Tucson International Airport that would employ 1,000 people. The manufacturer

(Continued on page 8)

(Continued from page 7)

of electronic components, which has 60 employees at a warehouse in Tucson, was turned down 10 years ago when it attempted to get zoning approval for an industrial site at West Speedway and North La Cholla boulevards.

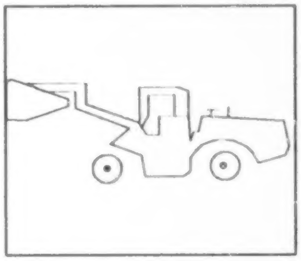
TRW Vehicle Safety Systems plans to build a 600,000-square-foot plant southeast of Mesa that will make chemical and mechanical components for automobile air bags. The facility, expected to be operational by 1992, could employ more than 1,300 workers by 1994. TRW currently has 825 employees at an air-bag plant on Higley Road in Mesa.

Panasonic and a Scottsdale electronics company, **Interactive Media Technologies Inc.**, have signed an agreement to jointly test a computer product that combines sound and images from up to 28 sources onto a videotape. The product, IMTX 8000, is designed to simplify video production for non-video professionals working in places such as advertising agencies and corporate training departments.

Huachuca City's approval of up to $9 million in industrial bonds helped lure a Los Angeles aircraft parts manufacturer to the southeast Arizona town and could create up to 300 jobs within five years. The revenue bonds will be used to buy land, buildings, and machinery for **Group IX Aerospace Systems, Inc.**, which produces new and spare parts for military aircraft. Ground will be broken on the manufacturing facility in September.

Another aircraft-maintenance company is opening its hangar doors in Tucson. Specializing in Boeing 737 planes, **Tucson Aerospace Inc**. plans to employ about 50 workers beginning in April at its three hangars and administrative offices at 1000 E. Valencia Road, near Tucson International Airport. Hamilton Aviation and Evergreen Air Center also operate aircraft-maintenance companies in Tucson, and Lockheed Aeromod Center Inc. is scheduled to begin business by the end of the year.

Conair Corp. is in the process of purchasing 100 acres in the Glen-Harbor Business Park, between Glendale and Northern avenues just west of the Agua Fria Freeway, to be used for an office-warehouse-manufacturing plant. The 275,000-square-foot facility, which would initially employ between 250 and 300, would probably be expanded by 1 million square feet within five to seven years. Conair, which makes hair-care and personal-3care appliances, currently has an office-warehouse at 59th Avenue and Washington Street that serves the western United States.



CONSTRUCTION -- Amid a swirl of controversy, ground has been broken on an 18,000-seat, $20 million **amphitheater** in west Phoenix. The city will lease the facility at 79th Avenue and Encanto Boulevard to **Zev Bufman Amphitheater Corp.**, which will manage and operate the development. The project, which is scheduled to be completed in November, was originally planned for north Phoenix before residents complained about the potential noise and traffic problems. An attorney has sought an injunction to stop the project in west Phoenix, citing its cost and a new law that requires voter approval for projects of more than $3 million.

(Continued on page 16)

Survey: 20 Percent of Americans Performing Unpaid Volunteer Work

One American in five did some unpaid volunteer work during the year ending May 1989, the U.S. Department of Labor's Bureau of Labor Statistics reports. The survey -- the first on volunteer workers by BLS in more than a decade -- shows that 38 million persons (16 years old and over) reported doing some unpaid voluntary work during the previous 12 months.

Among all volunteers, the average (median) time spent on unpaid activities was between 4 and 5 hours per week and about 25 weeks per year. Volunteers were more likely to work with churches or religious organizations than with any other kind of institution or organization.

The data on volunteer workers were obtained through special questions asked in the May 1989 Current Population Survey (CPS). The CPS is the monthly survey of households which provides the basic labor force and unemployment data for the nation.

Other highlights from the survey were:

- Men and women volunteered in about the same proportions -- 19 and 22 percent, respectively.
- About two-fifths of college graduates did volunteer work at some time during the period surveyed, compared with almost one-fifth of the high school graduates and fewer than a tenth of school dropouts.
- Among both men and women, 22 percent of those employed full time (35 hours or more a week) volunteered. The proportion with volunteer work was even higher among women with part-time jobs -- about 30 percent.
- About 36 percent of male and 38 percent of female volunteers reported working for churches -- larger proportions than for any other type of organization or institution. The next largest group of male volunteers worked for civic or political organizations (17 percent), while women volunteers were more likely to have been involved with school or other educational institutions (19 percent).

—U.S. Department of Labor
Bureau of Labor Statistics

The Arizona Labor Force in February

The Arizona unemployment rate has begun inching up again, rising to 4.8 percent in February from 4.5 percent in January. The rate rose because the labor force grew after eight consecutive months of decline. The unemployed increased 4,500, or 6.1 percent, while the employed expanded by 7,100, or 0.4 percent.

Although a rising unemployment rate is often a sign of a deteriorating economy, in Arizona's case it's a sign of renewed optimism about the economy. Many who were withholding their services from the labor force expecting no job opportunities have jumped back in with renewed hope of finding employment.

There is some reason for optimism since total nonfarm payroll jobs increased by 16,400 over-the-month and 47,800 over-the-year. February's rate of annual growth, at 3.3 percent, although down slightly from January's 3.5 percent, was well above the national rate of 1.6 percent. Nevertheless, 12,500 of February's gain was the seasonal return of school workers after winter break.

The only major industry group other than government to post substantial gains over-the-month was services, which added 5,300. But services' gain of 1.3 percent was slightly under the average February gain of 2.4 percent since 1982. Hotels, business services, and health services all had rates of gain just under the seasonal average. Hotels and health services normally staff up in February for the peak winter tourist season, and business services expands, especially tax services.

(Continued on page 14)

Arizona Labor Force and Employment

February 1990 (in thousands)

	ARIZONA				
				Amount Change	
	Feb.* 1990	Jan. 1990	Feb. 1989	Jan.- Feb.	1989- 1990
TOTAL CIVILIAN LABOR FORCE**	1693.7	1682.1	1691.7	+11.6	+2.0
Total Unemployment	78.2	73.7	94.8	+4.5	-16.6
Rate	4.6	4.4	5.6	----	----
Rate (Sea. Adj.)***	4.8	4.5	5.7	----	----
Total Employment	1615.5	1608.4	1596.9	+7.1	+18.6

The Above Labor Force Statistics Should Not

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

TOTAL WAGE AND SALARY	1497.8	1481.6	1450.1	+16.2	+47.7
Manufacturing	187.1	187.6	188.3	-0.5	-1.2
Durable Goods	141.9	142.2	143.7	-0.3	-1.8
Stone, Clay, and Glass	7.4	7.6	7.2	-0.2	+0.2
Primary and Fabricated Metals	15.7	15.6	15.4	+0.1	+0.3
Primary Metals	7.8	7.7	7.7	+0.1	+0.1
Fabricated Metals	7.9	7.9	7.7	+0.0	+0.2
Machinery	59.3	59.4	62.8	-0.1	-3.5
Aircraft and Missiles	26.3	26.1	25.5	+0.2	+0.8
Lumber and Wood Products (Excluding Furniture)	7.6	7.7	7.1	-0.1	+0.5
All Other Durable Goods	25.6	25.8	25.7	-0.2	-0.1
Nondurable Goods	45.2	45.4	44.6	-0.2	+0.6
Food and Kindred Products	9.5	9.6	9.3	-0.1	+0.2
Apparel	4.9	5.0	5.1	-0.1	-0.2
Printing and Publishing	16.7	16.7	16.8	+0.0	-0.1
Mining and Quarrying	12.7	12.7	12.1	+0.0	+0.6
Copper Mining	9.7	9.7	9.1	+0.0	+0.6
Construction	80.1	81.1	84.7	-1.0	-4.6
Trans., Communications, & Public Utilities	78.8	78.4	74.4	+0.4	+4.4
Transportation	43.3	42.9	38.0	+0.4	+5.3
Communications and Public Utilities	35.5	35.5	36.4	+0.0	-0.9
Trade	376.8	377.9	362.2	-1.1	+14.6
Wholesale Trade	78.1	78.2	73.3	-0.1	+4.8
Retail Trade	298.7	299.7	288.9	-1.0	+9.8
General Merchandise and Apparel	45.6	47.3	44.1	-1.7	+1.5
Food Stores	50.1	51.0	47.6	-0.9	+2.5
Automotive and Service Stations	35.0	34.8	34.6	+0.2	+0.4
Eating and Drinking Places	106.3	105.0	103.4	+1.3	+2.9
Finance, Insurance, and Real Estate	93.6	93.6	92.0	+0.0	+1.6
Services and Miscellaneous	405.9	400.6	383.2	+5.3	+22.7
Hotels and Other Lodging Places	46.0	44.6	42.6	+1.4	+3.4
Business Services	75.3	74.0	71.3	+1.3	+4.0
Health Services	99.9	99.2	96.1	+0.7	+3.8
Government	262.8	249.7	253.2	+13.1	+9.6
Federal	45.8	45.9	44.1	-0.1	+1.7

* Preliminary

** Labor force, unemployment, and employment are reported by place of residence.

*** Normal seasonal variations have been eliminated to reflect underlying economic trends.

**** Business Services undergoes a series break between December 1987 and January 1988 as a result of the 1987 SIC realignment.

Arizona Labor Force and Employment

February 1990 (in thousands)

MARICOPA COUNTY					PIMA COUNTY				
			Amount Change					Amount Change	
Feb.* 1990	Jan. 1990	Feb. 1989	Jan.- Feb.	1989- 1990	Feb.* 1990	Jan. 1990	Feb. 1989	Jan.- Feb.	1989- 1990
1050.9	1046.1	1050.9	+4.8	+0.0	308.6	306.2	316.0	+2.4	-7.4
39.9	38.7	48.2	+1.2	-8.3	11.4	11.3	15.4	+0.1	-4.0
3.8	3.7	4.6	---	---	3.7	3.7	4.9	---	---
3.9	3.8	4.6	---	---	3.7	3.7	4.8	---	---
1011.0	1007.4	1002.7	+3.6	+8.3	297.2	294.9	300.6	+2.3	-3.4

Be Used for Economic Assistance Programs

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

988.9	979.9	959.0	+9.0	+29.9	255.1	251.6	252.0	+3.5	+3.1
139.2	139.6	139.0	-0.4	+0.2	26.5	26.5	29.3	+0.0	-2.8
107.0	107.1	107.1	-0.1	-0.1	21.1	21.2	23.8	-0.1	-2.7
4.5	4.6	4.4	-0.1	+0.1					
10.8	10.6	10.5	+0.2	+0.3					
49.1	49.1	50.8	+0.0	-1.7					
32.2	32.5	31.9	-0.3	+0.3	5.4	5.3	5.5	+0.1	-0.1
6.4	6.5	6.1	-0.1	+0.3					
3.6	3.7	3.9	-0.1	-0.3					
12.0	12.1	12.1	-0.1	-0.1					
1.1	1.0	0.9	+0.1	+0.2	2.2	2.2	2.1	+0.0	+0.1
53.6	54.4	58.5	-0.8	-4.9	14.2	14.2	15.0	+0.0	-0.8
55.5	55.2	51.6	+0.3	+3.9	9.4	9.4	9.1	+0.0	+0.3
32.6	32.4	28.3	+0.2	+4.3	4.7	4.7	4.3	+0.0	+0.4
22.9	22.8	23.3	+0.1	-0.4	4.7	4.7	4.8	+0.0	-0.1
254.0	255.2	246.6	-1.2	+7.4	59.9	59.8	57.5	+0.1	+2.4
61.9	62.0	58.8	-0.1	+3.1	7.7	7.7	7.1	+0.0	+0.6
192.1	193.2	187.8	-1.1	+4.3	52.2	52.1	50.4	+0.1	+1.8
28.4	29.6	28.4	-1.2	+0.0	6.9	7.2	7.2	-0.3	-0.3
32.2	33.0	30.6	-0.8	+1.6	8.2	8.1	8.0	+0.1	+0.2
22.2	22.1	21.7	+0.1	+0.5	5.7	5.7	5.6	+0.0	+0.1
68.3	67.4	66.7	+0.9	+1.6	19.8	19.6	19.4	+0.2	+0.4
75.3	75.3	73.6	+0.0	+1.7	11.3	11.3	11.6	+0.0	-0.3
275.4	271.5	259.2	+3.9	+16.2	74.6	73.5	72.0	+1.1	+2.6
29.3	28.3	26.6	+1.0	+2.7	7.1	6.7	7.0	+0.4	+0.1
60.6	59.5	57.9	+1.1	+2.7	10.1	9.9	9.6	+0.2	+0.5
64.7	64.3	62.3	+0.4	+2.4	21.5	21.4	21.1	+0.1	+0.4
134.8	127.7	129.6	+7.1	+5.2	57.0	54.7	55.4	+2.3	+1.6

NOTE: Prepared by the Arizona Department of Economic Security, Research Administration, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Nonmetropolitan Counties
Labor Force and Employment
February 1990

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
CIVILIAN LABOR FORCE*	14,275	35,875	43,500	12,525	7,675	2,775	5,725
Total Unemployment	1,900	2,225	3,000	1,175	575	225	375
Rate	13.3%	6.2%	6.9%	9.4%	7.5%	8.1%	6.6%
Rate (Seas. Adj.)**	13.2%	5.7%	6.6%	8.2%	7.3%	7.8%	5.8%
Total Employment	12,375	33,650	40,500	11,350	7,100	2,550	5,350

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

TOTAL WAGE AND SALARY	15,050	26,700	40,900	11,100	4,950	2,750	3,925
Manufacturing	900	1,225	3,250	1,400	200	25	325
Mining & Quarrying	50	150	325	1,300	0	1,600	75
Construction	625	800	1,575	300	175	75	175
T.C.P.U.	1,975	1,825	2,450	450	150	50	125
Trade	1,850	5,750	9,275	2,625	1,350	225	1,300
F.I.R.E.	450	650	675	300	100	25	100
Services & Misc.	4,175	5,150	10,550	2,050	875	125	950
Government	5,025	11,150	12,800	2,675	2,100	625	875

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	35,125	27,925	38,300	12,250	38,700	59,575
Total Unemployment	1,675	2,850	2,700	1,000	2,000	7,250
Rate	4.8%	10.2%	7.0%	8.2%	5.2%	12.2%
Rate (Seas. Adj.)**	4.5%	9.6%	7.2%	8.9%	4.5%	18.6%
Total Employment	33,450	25,075	35,600	11,250	36,700	52,325

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

TOTAL WAGE AND SALARY	25,900	22,225	30,650	12,200	27,400	29,950
Manufacturing	2,550	1,900	3,875	1,200	2,150	2,350
Mining & Quarrying	50	1,225	3,725	0	825	50
Construction	2,925	1,150	650	375	2,225	1,275
T.C.P.U.	1,125	1,650	1,075	775	1,075	1,075
Trade	7,775	4,275	6,325	5,675	7,425	9,025
F.I.R.E.	1,200	400	850	300	950	975
Services & Misc.	5,975	5,500	4,700	2,000	6,825	7,075
Government	4,300	6,125	9,450	1,875	5,925	8,125

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities
F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Estimated Hours and Earnings of Production Workers in Selected Industries
Arizona

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Feb.* 1990	Jan. 1990	Feb. 1989	Feb.* 1990	Jan. 1990	Feb. 1989	Feb.* 1990	Jan. 1990	Feb. 1989
Manufacturing	413.88	411.82	404.67	41.1	41.1	41.0	10.07	10.02	9.87
Aircraft & Missiles	641.20	625.80	603.46	45.8	44.7	44.8	14.00	14.00	13.47
Food & Kindred Prod.	333.38	336.40	336.88	39.5	38.8	40.2	8.44	8.67	8.38
Primary Metals	477.48	479.18	504.27	37.1	38.0	39.0	12.87	12.61	12.93
Machinery	368.63	365.00	401.17	38.6	38.1	40.4	9.55	9.58	9.93
Copper Mining	576.63	599.38	529.57	43.0	44.3	41.6	13.41	13.53	12.73
Construction	421.62	426.53	419.22	35.7	36.3	35.8	11.81	11.75	11.71
Utilities	724.20	721.15	692.41	43.6	42.9	42.9	16.61	16.81	16.14
Retail Trade**	249.87	252.07	246.24	32.2	32.4	32.4	7.76	7.78	7.60
Wholesale Trade	376.43	370.56	369.33	38.1	38.4	39.0	9.88	9.65	9.47

Estimated Hours and Earnings of Production Workers in Selected Industries
Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Feb.* 1990	Jan. 1990	Feb. 1989	Feb.* 1990	Jan. 1990	Feb. 1989	Feb.* 1990	Jan. 1990	Feb. 1989
Manufacturing	435.53	429.11	432.85	41.4	41.3	41.5	10.52	10.39	10.43
Construction	442.36	449.58	441.97	36.2	36.7	36.8	12.22	12.25	12.01
Retail Trade**	264.86	264.80	268.25	33.4	33.1	33.7	7.93	8.00	7.96
Wholesale Trade	392.27	388.36	388.09	37.9	38.3	39.4	10.35	10.14	9.85

Estimated Hours and Earnings of Production Workers in Selected Industries
Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Feb.* 1990	Jan. 1990	Feb. 1989	Feb.* 1990	Jan. 1990	Feb. 1989	Feb.* 1990	Jan. 1990	Feb. 1989
Manufacturing	348.48	357.19	372.49	36.3	36.9	38.6	9.60	9.68	9.65
Construction	371.47	371.47	391.41	36.1	36.1	37.1	10.29	10.29	10.55
Utilities	576.77	592.06	580.27	38.4	38.9	41.3	15.02	15.22	14.05

* Preliminary.

** Excludes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs February 1990

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,693,692	1,615,467	78,225	4.6%
Apache	14,273	12,381	1,892	13.3
Cochise	35,862	33,639	2,223	6.2
Coconino	43,492	40,496	2,996	6.9
Gila	12,534	11,351	1,183	9.4
Graham	7,671	7,095	576	7.5
Greenlee	2,771	2,553	218	7.9
La Paz	5,728	5,360	368	6.4
Maricopa	1,050,909	1,011,005	39,904	3.8
Mohave	35,146	33,460	1,686	4.8
Navajo	27,923	25,074	2,849	10.2
Pima	308,545	297,174	11,371	3.7
Pinal	38,294	35,594	2,700	7.1
Santa Cruz	12,257	11,256	1,001	8.2
Yavapai	38,702	36,694	2,008	5.2
Yuma	59,585	52,334	7,251	12.2

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

The Arizona Labor Force in February

(Continued from page 9)

While trade usually picks up a little in February after January's precipitous seasonal decline, this year trade dropped another 1,100. Food stores had the greater portion of the more-than-seasonal decline, dropping 900 when a 100 February drop is average. Although it may be too soon to pronounce these losses as casualties of the grocery store wars, it would not be totally unexpected to see some employment loss from weaker outlets after the entry of major new competitors.

Another industry group to post at least modest employment gains in February was transportation, communications, and public utilities (TCPU). Overall, TCPU added 400, a little under the average seasonal gain. While the communications and public utilities sectors normally add 400 in February, this year they were unchanged while transportation, which usually is stagnant, added 400.

Transportation has had a good year adding 5,300 jobs and growing at a rate of 13.9 percent. Most of this growth has been among airlines.

And now for our monthly dose of bad news. Construction dropped another 1,000 jobs in February. Although con-

(Continued on page 15)

(Continued from page 14)

struction has lost employment in each of the last five Februarys, this year's was the largest loss and contrasts with an average 400 loss in the previous four Februarys. Construction employment in February of 80,100 was down 37,200 jobs from its June 1986 peak.

Construction's co-dependent industry -- finance, insurance, and real estate (FIRE) -- seems to have hit a plateau. February's FIRE employment stood at January's 93,600 level. Although that amount is down 2,500 from June 1988's peak, it is respectably high given all the announced failures by major Arizona savings and loan associations.

Manufacturing posted losses once again in February -- down 500 over-the-month. Stone, clay, and glass, and lumber and wood products accounted for 300 of the drop, so construction's poor showing may have been an influence on manufacturing, as well.

--Ron Simon
RA Economic Analysis Manager

Correction

In the January issue of the *Arizona LMI Newsletter*, there were two errors in a story on the increase in the minimum wage. The story said the training wage for 16 to 19 year olds beginning April 1, 1990, would be $3.23 an hour and increase to $3.61 an hour April 1, 1991. The training wage beginning April 1, 1990, however, is $3.35 an hour. The article also said that employers of workers receiving tips -- primarily restaurant employees -- must pay workers at least 45 percent of the minimum wage beginning in April. The correct amount is 55 percent of the minimum wage (down from the previous 60 percent), or $2.09 an hour. For complete details on new minimum wage provisions, contact the U.S. Department of Labor's Wage and Hour Division at (602) 640-2990.

Maricopa County Small Businesses Offered Health Insurance Plans

PMH Health Resources Inc. has signed an agreement with The Health Care Group of Arizona™ to offer insurance in Maricopa County to the self-employed and to companies with 25 or fewer employees that have not provided health benefits to their workers in the past six months. The program was scheduled to begin operation April 1.

PMH Health Resources, parent company of Phoenix Memorial Hospital, will offer four benefit packages to employers through a subsidiary, PMH Healthcare Group. Each plan will cover physician visits, hospital and surgical procedures, laboratory and X-ray services, prescriptions, and emergency care.

The Health Care Group of Arizona, a program under the Arizona Health Care Cost Containment System (AHCCCHS), began operation in the fall of 1987 after the Legislature asked AHCCCHS to develop a plan to provide health care for the working uninsured. Prior to the recent agreement, Pima and Cochise were the only other counties in the state where the program was offered.

Estimates range from 90,000 to 186,000 people (workers and their dependents) in Maricopa County that will be eligible for insurance under this program. Nearly 17,000 employers in the county -- more than 40 percent -- have 25 or fewer employees and do not offer health insurance, The Health Care Group of Arizona says.

Additional information on health plans or enrollment requirements is available by calling 253-9119 (Maricopa County) or 1-800-247-2289 (anywhere in Arizona).

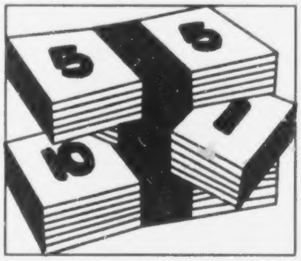
(Continued from page 8)

The **Herberger family** of Phoenix and Dallas-based **Woodbine Development Corp**. have announced a 700-acre project for northeast Phoenix. The development -- bounded by Scottsdale Road, 64th Street, Paradise Lane, and Aire Libre Avenue -- will take 10 to 15 years to complete and include housing, offices, a resort, and possibly a golf course. Planning and zoning work will take about 18 months.

Two Valley shopping centers are undergoing facelifts and additions. A Price Savers Wholesale Warehouse, the Valley's third, is being built at **The Plaza**, 83rd Avenue and McDowell Road. In addition, the 400,000-square-foot expansion of the west Phoenix shopping center will include a Coachman Inn, Circle K, and Jack-in-the-Box and Waffle House restaurants. In east Mesa, the **Main Place Shopping Center** will receive $6 million of renovation and expansion work. A new Safeway store -- replacing its current store at the center -- and Cloth World will make up most of the 66,000 square feet that will be tacked on to the present 100,000 square feet.

A $23.5 million contract to expand and renovate the **Phoenix Art Museum** and **Phoenix Little Theatre** has been awarded to Lescher and Mahoney/DLR Group of Phoenix and Tod Williams-Billie Tsien Associates of New York. The 72,000-square-foot museum will receive an additional 172,000 square feet, while the theatre will gain 22,000 square feet of new space.

McCarthy of Phoenix has won a $2.8 million contract to build the first phase of an expansion project at the **Yuma Regional Medical Center**. The project includes a 23,000-square-foot psychiatric building and a 9,000-square-foot building for a print shop, and engineering and laundry facilities.



FINANCE, INSURANCE and REAL ESTATE -- Las Vegas-based **PriMerit Bank** has opened its sixth branch in Arizona, in Mesa, and announced plans for its second location in Sun City in the fall. While most of Arizona's savings & loan associations have been consolidating due to heavy losses, PriMerit has increased its presence in the state since it started operations in Phoenix last year.

Carter Hawley Hale Stores Inc., which owns Broadway Southwest and several other department store chains, is expected to locate a national credit-card center in the Phoenix area that could employ between 750 and 1,000. The center, which would consolidate all of the company's credit-card operations, would probably take place within the next 12 months. The retail giant is awaiting approval from a federal agency to become a national bank before it proceeds with its plans.

SERVICES -- A Valley-based video-rental chain, **The Movie Superstore Inc.**, is purchasing three Valley stores to go along with the six it currently owns. The three outlets, all National Video Superstore franchises, are located in Phoenix (3445 W. Glendale Ave.), Mesa (1955 W. Main St.) and Tempe (2650 E. University Dr.).

(Continued on page 17)

(Continued from page 16)

Retiree Skills Inc., a Tucson-based temporary-help business that specializes in finding jobs for workers 50 and over, has opened a franchise in Albuquerque and is trying to start three franchises in Phoenix and one in Las Vegas. The 12-year-old business, which has 350 clients (companies), had gross revenues of $400,000 in 1989.

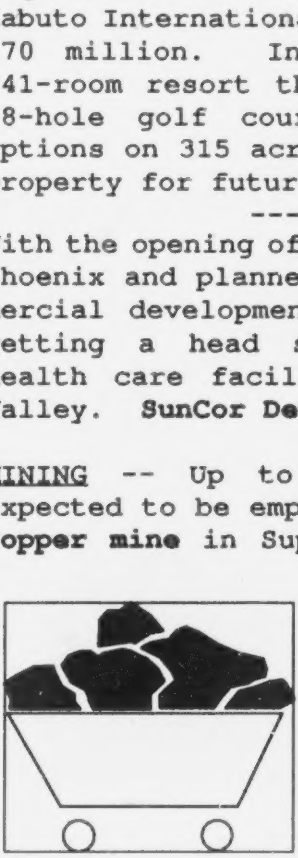
PMH Health Resources Inc. are planning a medical complex in Goodyear that may employ several thousand workers when completed in 15 years. The first phase of the medical project, on the northeast corner of Litchfield Road and Interstate 10, would include an intergenerational child development center, an industrial medical center, an outpatient ambulatory primary-care facility, and a helipad. The second phase would include a medical plaza and ambulatory surgery building, and a third phase would be comprised of a 110-bed hospital and several specialized-care facilities. Groundbreaking on a 15,000- to 20,000-square-foot medical building, which is 100 percent preleased, could begin in 18 months. Meanwhile, **St. Joseph's Hospital and Medical Center** recently purchased 30 acres near Interstate 10 and Bullard Road and plans to build a multi-million dollar medical campus that would include a mix of outpatient facilities.

The Fairfield Snow Bowl, a ski resort on Humphreys Peak north of Flagstaff, has been put up for sale by Fairfield Communities Inc. of Little Rock, Ark. Fairfield Communities, which also plans to sell the Green Valley retirement community south of Tucson and two other Tucson-area subdivisions, said it is shedding itself of these properties in order to reduce its debt and raise funds to build other resort communities.

Another company trying to raise capital is **Pinnacle West Co.**, parent company of Arizona Public Service Co. and SunCor Development Co. Sun Cor recently sold the five-star-rated Wigwam Resort to Japanese-owned Kabuto International Phoenix Inc. for $70 million. In addition to the 241-room resort that includes three 18-hole golf courses, Kabuto took options on 315 acres surrounding the property for future development.

With the opening of Interstate 10 into Phoenix and planned housing and commercial development, two groups are getting a head start on building health care facilities in the west Valley. **SunCor Development Co**. and

MINING -- Up to 300 workers are expected to be employed at the **Magma copper mine** in Superior when operations resume in the fall. Magma Copper Co. is investing $13 million to reopen its namesake that had more than 1,400 workers in 1981, a year before it closed.

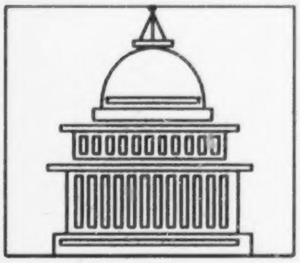


ASARCO Inc., which owns the Ray mine near Hayden and the Mission complex near Green Valley, expects to hire as many as 450 new workers in 1991 and '92 when expansion projects are completed. ASARCO has no hiring plans for this year, however.

(Continued on page 18)

(Continued from page 17)

GOVERNMENT -- Nearly 300 teachers and administrators in the **Tucson Unified School District** will be receiving notices of layoffs for the 1990-91 school year due to $12.8 million in budget cuts. Layoffs will be based on seniority and involve elementary, middle school, and high school teachers, along with librarians, nurses, social workers and counselors. The cuts were necessitated after a budget override request was defeated in February.



TRADE -- This Bud's for Yuma. The City of Yuma received good news in late March -- not from the alcoholic beverage manufacturer, but from **Bud of California**, an agricultural processing company. Bud announced plans to consolidate its operations in Arizona, California, and Mexico into a new plant in the western Arizona town. The 90,000-square-foot facility, which will contain the company's regional headquarters, as well as a cooler and salad plant on 75 acres, is expected to bring 200 to 225 jobs to the Yuma area on top of 300 to 400 workers now employed in the Yuma Valley by Bud. Another 250 to 300 workers will also be needed for seven months during initial construction of the plant.

New York-based **Schein Pharmaceutical Inc**. plans to operate a 150,000-square-foot distribution center at 43rd Avenue and Buckeye Road in Phoenix. The $2.5 million facility will be opened in two phases and distribute products of Schein and its subsidiaries, Steris Labs of Phoenix and Danbury Pharmacal Inc. of Danbury, Conn. The first phase, which will open in September, will include an 80,000-square-foot warehouse that will employ 25 people. The second phase, to follow about two years later, will include an additional 60,000 to 70,000 square feet and increase employment to 50.

A U.S. Bankruptcy Court in New York gave permission to **Yellow Front Stores Inc**. to sell off merchandise from stores it's closing at its 44 remaining outlets. Phoenix-based Yellow Front, which had as many as 166 stores throughout the West in 1988, will keep 23 open in Arizona (seven in the Phoenix area; 16 outside Phoenix). The 44-year-old general-merchandise chain has cited increased competition, particularly from Wal-Mart, for its financial problems.

Salt Lake City-based Zions Cooperative Mercantile Institute has opened -- at the Tri-City Mall, Main Street and Dobson Road in Mesa -- the first of three **ZCMI II** stores it plans for the Valley this year. The department store chain, which specializes in men's and women's clothes, will open stores later this year in the Scottsdale Pavillions, Pima and Indian Bend roads; and Village Fair, 12800 N. Tatum Boulevard.

True Value Hardware Stores plans to build a $10 million distribution center in Kingman that will serve five western states. No details about employment are available at this time.

JCPenney is closing its Park Central Mall store in central Phoenix in July.

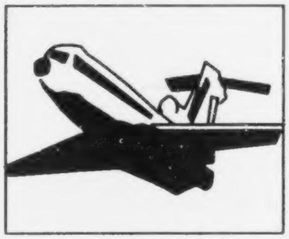
(Continued on page 19)

(Continued from page 18)

The department store chain's largest Valley outlet, at 230,000 square feet, opened in 1968, but has not been profitable for the last decade, a company spokesperson says. Employees will be offered jobs at a JCPenney opening at Superstition Springs Mall in Mesa this fall.

A $900,000 expansion of the **U.S. port of entry** in San Luis, where hundreds of produce trucks come from Mexico each week, was scheduled to begin in mid-April. The project calls for widening the gate from 40 to 80 feet and expanding the capacity of the inspection dock from eight trucks to 16 to 20 trucks.

TRANSPORTATION, COMMUNICATIONS AND PUBLIC UTILITIES (TCPU) -- An agreement to make **StatesWest Airlines** of Phoenix a "feeder" airline for USAir could lead to the tripling in size of the Valley air carrier that employs 158 and flies six 19-seat planes. StatesWest flies from Phoenix and Scottsdale to primarily small cities in Arizona and California.



Bonneville Pacific Corp., Salt Lake City, will build a power plant and commercial greenhouse in Yuma to produce 50 megawatts of power for San Diego Gas & Electric Co. Between 70 and 80 jobs will be created by the $47 million project, scheduled to go online in January 1993.

AG Communication Systems Corp., which develops, manufactures, and installs telephone switching equipment, laid off 114 workers at its north Phoenix facility after losing a multi-million dollar contract. Prior to the reduction, AG had a work force of 1,500.

MISCELLANEOUS -- Arizona State University's hosting of the **1993 Super Bowl** is expected to bring $200 million in revenue to the Valley of the Sun and state. Some of the businesses expected to reap the economic windfall are hotels, restaurants, car rental agencies, retail stores, and souvenir vendors. Other indirect benefits include international television exposure and the bringing to Arizona of hundreds of executives who are involved in decisions about moving companies.

Forty-five alleged **child-labor violations** were found in 26 Maricopa County fast-food restaurants during a nationwide sweep in mid-March, the U.S. Department of Labor reports. The majority of alleged infractions involved 14- and 15-year-olds working after 7 p.m., or working more than three hours on school days and more than eight hours on non-school days. Other alleged violations involved youths under 18 operating business vehicles and meat-slicing machines.

Two investment firms and a **Bisbee electronics-component** company have received $500,000 in loans from the state Commerce and Economic Development Commission. First Commerce & Loan, a Tucson-based company that wants to loan money to small businesses, received $250,000; Spectra Economic Development Corp., Phoenix, which wants to aid minority-owned companies, received $100,000; and K-tronics Inc. of Bisbee, which wants to build a 6,000-square-foot facility to house its operations, received $250,000. The commission lends money to small- and medium-size businesses to help create employment in economically distressed areas.

Arizona Labor Market Newsletter
LABOR MARKET INFORMATION PUBLICATIONS
Site Code 733A
P.O. Box 6123
Phoenix, Arizona 85005

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, $300

ADDRESS CORRECTION REQUESTED

POSTAGE & FEES PAID
EMPLOYMENT SECURITY MAIL
LAB 449
FIRST CLASS MAIL

[illegible]
CONGRESSIONAL INFO. SERVICE
CHERYL WALDMAN
4520 EAST WEST HIGHWAY
BETHESDA, MARYLAND 20814

If you do NOT desire to continue receiving this publication, please check here ☐ and return this cover to address above.

If your address has changed, please indicate change and return this cover to the address above.

This periodical is issued and printed by the Arizona Department of Economic Security as authorized by the Wagner-Peyser Act and is paid out of federal funds granted by the U.S. Department of Labor.

Reproduction of this publication for commercial use is prohibited by Section 39-121, Arizona Revised Statutes. Permission to reprint this publication, or parts of it, for nonprofit use may be granted upon written request, if credit will be given citing this publication and the Arizona Department of Economic Security.

S0465-1-P A

ARIZONA LABOR MARKET INFORMATION NEWSLETTER

Vol. XIV No. 5
May 1990

Unemployment Rate

Seasonally Adjusted
March*

ARIZONA	–	5.2%
Maricopa Co.	–	4.3
Pima Co.	–	4.1
United States	–	5.2

Consumer Price Index

U.S. – March 1990
Base = 1982-84

Wage Earner/Clerical Worker	–	127.1
% Chg. Year Ago	–	5.2
All Urban	–	128.7
% Chg. Year Ago	–	5.3

Phoenix – 1st Qtr 1990
Base = 1982-84

All Urban	–	131.5
% Chg. Year Ago	–	6.3

Tucson – 1st Qtr 1990
Base = 1982-84

All Urban	–	130.1
% Chg. Year Ago	–	3.9

* Preliminary

FAMILY CARE
SICK LE
DISABILITY INSURANCE
PENSION

Worker Benefits:

Employers Offering Wider Variety; Employees Having to Make More Choices

Inside This Issue **Page**

BLS Study: Family Benefits Take Larger Priority 2
News in Brief 6
Youth Labor Force Expected to Decline This Summer 7
The Arizona Labor Force in March 7
Arizona Labor Force Statistics 9
New Developments 13

DES Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency

Family Care Becoming a Priority, BLS Survey Shows

Birth Leave, Child Care, Flexible Hours Among Worker Benefits Receiving Attention

Employee benefits received in 1989 focused more than ever on the care of family members, according to a survey by the U.S. Department of Labor's Bureau of Labor Statistics.

The Bureau's latest survey of benefits offered to full-time employees in medium and large companies shows that unpaid maternity leave was available to nearly two-fifths of employees; unpaid paternity leave to almost one-fifth; reimbursement accounts (to help pay for medical and dependent care expenses) to about one-fourth; and flexible work arrangements to one-tenth of employees.

The survey provides representative data for 32 million full-time employees in the contiguous 48 States and the District of Columbia. Benefit data represent workers in about 109,000 establishments employing 100 or more employees in private nonfarm industries.

Ninety-two percent of full-time employees had medical care benefits (such as hospitalization and care by physicians) fully or partially financed by their employer in 1989. The majority of participants (74 percent) having medical care benefits were in traditional fee-for-service plans.

Family Benefits

The care of family members in households where all parents are employed was addressed by employers in a number of ways in 1989. Family leave benefits — maternity and paternity leave, child care, flexible work schedules — as defined in the survey, are over and above other leave benefits, such as short-term disability coverage and paid vacations.

Thirty-seven percent of employees, the survey showed, could take unpaid maternity leave, with the maximum leave available averaging 20 weeks. Eighteen percent of employees could take unpaid paternity leave, with the maximum leave available averaging 19 weeks. Paid parental leave was rare.

Five percent of employees were eligible for child care benefits subsidized by their employer. This benefit includes both on-site or near-site child care facilities and reimbursement of employee child care expenses.

A more common means of assisting employees with child care expenses was through reimbursement accounts, from which employees pay for a variety of qualified expenses. Child care, elderly or dependent care, and other medical care expenses were the most common items covered by a reimbursement account. Twenty-three percent of employees were eligible for such accounts in 1989, up from 12 percent in 1988. Reimbursement accounts often are funded solely by employees seeking tax advantages through salary reduction arrangements.

For the first time, the survey included information on flexible work schedules. Limits on the amount of flexibility vary from plan to plan, but generally employees must be at work for a core of hours during midday. Eleven percent of workers studied had formal flexible work arrangements, with 15 percent of white-collar workers having flexible work schedules available to them, more than double the coverage for blue-collar workers.

Employers also offered a variety of health-related benefits outside the traditional health care plans. Employee-assistance programs, which provide counseling and referral services for substance abuse and family, financial, legal, and related problems, were available to 49 percent of workers. Wellness programs, designed to encourage healthier lifestyles, were available to 23 percent of workers. These programs typically include health screenings, smoking cessation classes, and guidance on healthier diets.

For the first time, the survey gathered data on the availability of long-term-care insurance. Three percent of employees had long-term-care insurance plans available to them in 1989. Such plans are designed to help pay for long-term nursing home care for employees or dependents, including elderly dependents. (Health care plans exclude such coverage from the benefits they provide.) Although these plans are typically wholly employee paid, workers gain because coverage is available through employers at group insurance rates.

Health Care Benefits

Ninety-two percent of full-time employees had medical care benefits (such as hospitalization and care by physicians)

(Continued on page 3)

ARIZONA LMI NEWSLETTER
SITE CODE 733A
P.O. BOX 6123
PHOENIX, AZ 85005-6123
(602) 542-3871
Brent Fine, Editor
Linda Van Calcar, Word Processor

(Continued from page 2)

fully or partially financed by their employer in 1989. The majority of participants (74 percent) having medical care benefits were in traditional fee-for-service plans. Participation in non-traditional health care plans, such as health maintenance organizations (HMOs) and preferred provider organizations (PPOs), accounted for 17 percent and 10 percent of medical care participants, respectively.

Alcohol and drug-abuse treatment coverage was provided to 97 and 96 percent of the medical care participants, respectively. Benefits may be provided for detoxification and rehabilitation services, or both. The percent of medical care participants with alcohol and drug-abuse treatment coverage reported by the survey increased by 21 percent and 30 percent, respectively, between 1988 and 1989.

To reduce health care costs, many plans provide less costly alternatives to hospital care. Three-fourths of the participants with medical care had coverage for home health care, and four-fifths had coverage in extended care facilities. In addition, hospice care for the terminally ill was available to approximately two-fifths of medical plan participants.

Other features designed to curb health care expenses included incentives for diagnostic testing prior to hospitalization and a requirement of plan authorization prior to hospital admission. These two features affected slightly more than 40 percent of the medical plan participants. Nearly 60 percent of the participants were in plans that provided coverage for second surgical opinions.

Dental coverage, generally including preventive and restorative pro-

(Continued on page 4)

Table 1. **Percentage of Full-time Employees in Selected Benefit Programs of U.S. Medium and Large Private Companies**[1]

Benefit Program	All	Professional, Administrative	Technical, Clerical	Production, Service
Paid:				
Holidays	97	97	96	97
Vacations	97	98	99	95
Personal leave	22	28	30	14
Lunch period	10	4	4	16
Rest period	71	57	69	80
Funeral leave	84	87	86	80
Jury duty leave	90	95	92	87
Military leave	53	61	57	45
Sick leave	68	93	87	44
Maternity leave	3	4	2	3
Paternity leave	1	2	1	1
Unpaid:				
Maternity leave	37	39	37	35
Paternity leave	18	20	17	17
Sickness and accident insurance	43	29	29	58
Long-term disability insurance	45	65	57	27
Medical care	92	93	91	93
Dental care	66	69	66	65
Life insurance	94	95	94	93
Defined benefit pension	63	64	63	63
Defined contribution	48	59	52	40
Retirement[2]	36	43	39	31
Capital accumulation[3]	14	18	14	11
All retirement[4]	81	85	81	80
Flexible benefits plans	9	14	15	3
Reimbursement accounts	23	36	31	11

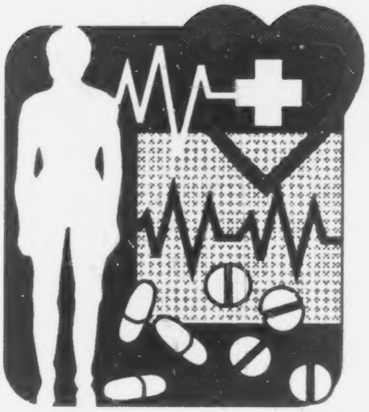
1. Survey coverage excludes executives and employees in constant travel status, such as airline pilots, as well as data for Alaska and Hawaii. Except for maternity and paternity leave and reimbursement accounts, benefits paid for entirely by the employee were excluded from the tabulations. Professional-administrative and technical-clerical workers are often discussed jointly as white-collar workers. Production-service workers are often called blue-collar workers.

2. Includes money purchase pension, profit sharing, savings and thrift, stock bonus, and employee stock ownership plans in which employer contributions must remain in the participant's account until retirement age, death, disability, separation from service, age 59-1/2, or hardship.

3. Includes plans in which participants may withdraw employer contributions from their accounts without regard to the conditions listed in footnote 2.

4. Includes defined benefit pension plans and defined contribution retirement plans. Many employees participated in both types of plans.

Source: U.S. Department of Labor, Bureau of Labor Statistics, March 1990



(Continued from page 3)

cedures, was available to 66 percent of employees. Thirty-five percent of the medical plan participants had provisions for vision care. Nearly all vision care plan participants had coverage for eye examinations, while 68 percent had coverage for eyeglasses and 66 percent were covered for contact lenses.

Medical coverage for employees was fully paid by the employer for 52 percent of participants, while family coverage was fully paid by the employer for 34 percent of participants. (This is a decrease from 57 and 36 percent, respectively, in 1988.) When employee contributions were required, they averaged $25 per month for individual coverage and $72 per month for family coverage, up from $19 and $60 in 1988. Contributions varied by plan type, with participants in HMOs more often required to contribute than participants in fee-for-service plans.

Defined-Benefit Pension Plans

Defined-benefit pension plans, which specify a formula for determining an employee's annuity, covered 63 percent of full-time workers in 1989, unchanged from the coverage reported in 1988 when the survey expanded to smaller establishments and more service industries.

The most common type of defined-benefit pension plan in 1989 (64 percent) was the terminal earnings plan, which bases pension payments on an employee's average earnings in the last few years prior to retirement (usually a five-year period). The average benefit formula in such plans was approximately 1.5 percent of annual earnings times years of service (for example, 1.5 percent x 30 years of service, or 45 percent of annual earnings). More than half of the participants in these plans were subject to a limit on the years of service that could be applied toward the pension benefit, commonly 30, 35, or 40 years. In addition, benefits were usually coordinated with Social Security payments.

Earnings-based pension formulas are more common among white-collar workers than blue-collar workers. The latter often have plans calling for dollar amount benefits based on years of service. In 1989, the monthly benefit under dollar amount formulas averaged about $20 times the number of service years (for example, $20 x 25 years, or $500 a month). Unlike earnings-based plans, these plans usually do not limit years of credited service and rarely coordinate benefits with Social Security payments.

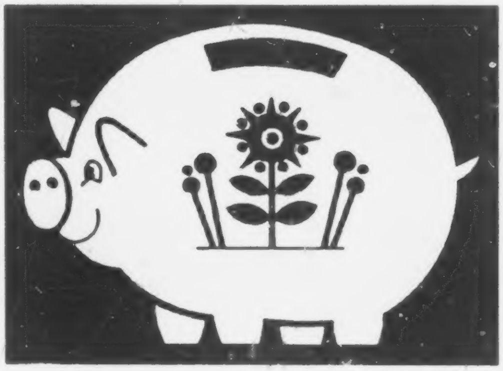
As a result of the Tax Reform Act of 1986, plan sponsors continued in 1989 the trend toward adopting shorter vesting schedules. Fifty percent of the participants in defined-benefit plans satisfied the requirement for 100-percent vesting after five years of service, up substantially from 5 percent reported in 1988. Most of the other participants were not fully vested until the completion of 10 years of plan participation.

Defined-Contribution Plans

Forty-eight percent of employees participated in one or more defined-contribution plans in 1989, up from 45 percent in 1988. These plans, which usually specify the employer's contribution but cannot predetermine the employee's actual amount of benefits, include savings and thrift (covering 30 percent of full-time workers), profit-sharing (16 percent), money-purchase pension (5 percent), and stock-ownership plans (3 percent). Most defined-contribution plans require employee contributions; about 30 percent of participants were in plans wholly financed by the employer.

Forty-one percent of the workers covered by the survey participated in 401(k) plans (also known as cash or deferred arrangements), which permit pretax employee contributions. Most of these plans were salary-reduction plans, allowing employees to reduce their taxable income by making voluntary contributions that are not taxed until withdrawn from the plan.

(Continued on page 5)



(Continued from page 4)

Life Insurance

Life insurance benefits were provided to 94 percent of employees in 1989. The cost was paid entirely by the employer for all but 13 percent of covered workers. For 68 percent of the covered workers, the amount of life insurance was based on earnings, typically one or two times annual pay. Most of the remaining participants were provided flat dollar amounts of coverage. Flat dollar amounts were most common among blue-collar workers, with benefits for these workers averaging slightly more than $11,000.

Fifty-two percent of life insurance participants were in plans that reduced life insurance benefits for older employees, normally beginning at ages 65 or 70. Life insurance coverage, typically reduced, continued after retirement for 42 percent of participants.

Seventy-one percent of life insurance participants received accidental death and dismemberment insurance, which provides additional benefits in the event of death or disability caused by an accident. For 91 percent of workers with accidental death and dismemberment protection, benefits equaled basic life insurance benefits. The remainder had flat dollar benefit amounts.

Disability-Income Benefits

Eighty-nine percent of workers were covered by an income protection plan — either sick leave, sickness and accident insurance, or both — in the event of a short-term illness or injury. Sick-leave plans, available to 68 percent of all workers studied, but more frequently to white-collar workers, commonly specified a set number of sick days per year. Workers in such plans with one year of service had an average of 15.4 sick days available; this rose to 27.8 days at 20 years of service.

In 1989, 43 percent of workers surveyed received a sickness and accident insurance plan, and about half of these workers also received sick leave. Sickness and accident insurance, twice as prevalent among blue-collar workers than among white-collar workers, provides either a percentage of pay — commonly 50 percent — or a flat amount per week during a period of disability due to illness or accident. Payments are for a limited period of time, usually 26 weeks.

Forty-five percent of the employees had long-term disability insurance coverage in 1989. Such coverage is intended to replace income lost during an extended or permanent period of disability. The majority of workers with such coverage received between 50 and 60 percent of pre-disability pay during their period of disability.

Nearly all long-term disability insurance participants were in plans that covered disabilities due to mental illness. However, half were in plans that discontinued the benefit after a specified length of time, commonly 24 months, unless the recipient is institutionalized.

Paid Time Off

Time off with pay is available to employees in a variety of forms — from daily rest breaks to annual vacations of several weeks. Most types of paid leave were available to a majority of the employees. The exceptions were paid lunch time, averaging 26 minutes a day, which applied to a tenth of workers; and personal (multipurpose) leave, averaging 3.1 days a year, which covered nearly one-fourth of workers.

The number of paid holidays averaged 9.2 per year; the amount of vacation, which commonly increased with length of service, averaged 9.1 days after 1 year of service, 16.5 days after 10 years, and 20.4 days after 20 years. Paid rest time averaged 26 minutes a day; funeral leave, 3.3 days per occurrence; military leave, 11.9 days a year; and paid time off for jury duty was usually provided as needed.

Detailed tabulations of the benefit provisions studied will be published this summer in a BLS bulletin, Employee Benefits in Medium and Large Firms, 1989. Data are currently being collected for surveys of small private firms (those employing fewer than 100 workers) and state and local governments. Results of these surveys are scheduled for release in 1991.

— U. S. Department of Labor,
Bureau of Labor Statistics

Yearly Survey Offers Comparison

How do Arizona's medium and large private companies compare to the rest of the country, in terms of employee benefits offered? One of the best sources of information is the *Joint Governmental Salary and Benefits Survey*, a yearly analysis of benefits of public and private employers in Arizona, conducted by the state's Department of Administration.

In 1989, 222 public and private employers responded to the survey, which asked questions on the following benefit areas: disability insurance, retirement, life insurance, medical insurance, dental coverage, and pre-tax savings plans. Every four years — the next is 1990 — a more detailed survey is conducted and includes the above benefit topics, along with data on holidays, annual leave, and sick leave.

A copy of the *Joint Governmental Salary and Benefits Survey* is available by contacting the Department of Administration at 542-5250; cost is $5. Information from the survey pertaining to only Maricopa and Pima counties is available at no charge in the annual *Employer Wage Surveys*, published by DES, Research Administration. One free copy of each wage survey is available by calling 542-3871.

Median Earnings in U.S. Rose 4.5 Percent in First Quarter

NEWS IN BRIEF

Following are summaries of news stories compiled from a variety of sources relating to labor issues affecting the nation and Arizona.

Median earnings of the nation's 83.8 million full-time wage and salary workers were $415 per week in the first quarter of 1990, an increase of 4.5 percent from a year earlier, the U.S. Department of Labor's Bureau of Labor Statistics (BLS) reports. Over the same period, prices rose 5.2 percent as measured by the Consumer Price Index for All Urban Consumers (CPI-U).

Other highlights from first-quarter data, which are collected as part of the monthly Current Population Survey, include:

- Women usually working full time had median earnings of $346 per week, 71 percent of the $488 median for men.
- Median earnings for black men working at full-time jobs were $364 per week, 73 percent of the median for white men ($501); median earnings for black women was 87 percent of the median for their white counterparts ($309 vs. $354); and median earnings of Hispanics continued to lag behind those for blacks ($313 vs. $331).
- Among men, workers in executive, administrative, and managerial occupations had the highest median earnings ($743), followed by those in professional specialties ($712); for women, median weekly earnings were highest for professionals ($533), followed by those in executive, administrative, and managerial jobs ($467).

Public Companies Fuel ESOP Growth

The number of employee stock ownership plans (ESOPs) increased by an estimated 830 in 1989 — 10 percent greater than in most previous years — according to the National Center for Employee Ownership in Oakland, Calif. The center, a non-profit membership and research organization, estimates there are now about 10,200 plans covering some 11.5 million U.S. workers.

Not only was the number of new plans up sharply last year, but the number of employees covered increased 20 percent, due partly to the rise of ESOPs being offered by public companies, particularly large corporations such as Sears, Mobil, Xerox, and Proctor and Gamble. Traditionally, public companies have only made up about 10 percent of ESOPs and were more common among smaller public firms.

"The growth of ESOPs in public firms has not been without some controversy," says the center's director, Corey Rosen, referring to companies that have been mentioned as takeover possibilities.

Information about the National Center for Employee Ownership is available by calling (415) 272-9461.

Perkins Act Goes to Conference Committee

U.S. Senate and House of Representatives' bills reauthorizing the Carl D. Perkins Vocational Education Act for five years were passed in April and May, respectively. The bills, which both increase increase yearly funding from the current $938 million to about $1.5 billion, were supposed to go to conference committee in mid-May to work out differences in the legislation. One of the major distinctions between the two bills is that the Senate's version would restrict state discretion in determining the split in funds between post-secondary and secondary education, while the House bill does not alter the current law, which does not mandate a specific state split. The Senate bill would require states to spend 65 to 75 percent of their federal program money on secondary vocational education programs.

LLSIL Guidelines for '90 Released

In mid-April, the U.S. Labor Department released its Lower Living Standard Income Level (LLSIL) Guidelines for 1990. LLSIL income levels are one of two ways — the poverty level is the other — used to determine whether individuals meet the "economically disadvantaged" standard for Job Training Partnership Act (JTPA) programs and the only criteria used to determine eligibility under the Targeted Jobs Tax Credit (TJTC) Program.

Persons are determined to be economically disadvantaged if their family income six months prior to application for the JTPA and TJTC programs was not in excess of the higher of the poverty level, or 70 percent of the LLSIL levels.

Following are the 70 percent levels of LLSIL, by family size, that are applicable for Arizona's metropolitan and nonmetropolitan areas, in addition to the 1990 U.S. poverty rates:

Family Size	Metro	Non-metro	Poverty Rate
1	$ 5,450	$ 5,380	$ 6,260
2	8,930	8,819	8,420
3	12,260	12,100	10,560
4	15,130	14,930	12,700
5	17,860	17,620	14,840
6	20,880	20,610	16,980

Youth Labor Force Expected to DeclineThis Summer; Jobs May Shrink in 2 Arizona Programs

The 16-to-24-year-old labor force, which expands sharply every summer, is expected to reach 24 million this July, about 930,000 below the level of last summer, says the U.S. Department of Labor's Bureau of Labor Statistics.

This over-the-year decline stems principally from a continued decline in the 16-to-24-year-old population. The size of this population group has fallen throughout the 1980s and will be about 730,000 smaller this July than last. In addition, the proportion of youth in the labor force is expected to be slightly below the record-high 77.5 percent rate of last July.

In Arizona, two major summer employment programs for youth expect to offer about the same number or slightly fewer jobs than last year. But a larger emphasis on remedial and vocational education, plus an increase in the minimum wage (from $3.35 to $3.80 an hour) will likely lower youth workers' hours and earnings in these programs.

Despite a 6 percent increase in funding (to $10.6 million), summer jobs from the Job Training Partnership Act (JTPA) program are likely to fall slightly, due to the minimum-wage hike and an emphasis on more "basic skills" training, says David Van Wagner, director of Management Information Systems for the Arizona JTPA office. Following a policy move of the past two years, JTPA summer employment has been "serving fewer and serving more intensely," Van Wagner says.

In 1989, the JTPA program, which recruits directly from the schools, employed about 7,900 students ages 14 to 21. Van Wagner expects 500 fewer will be served this year.

Meanwhile, the director of the Arizona Alliance of Business' Summer Jobs for Youth Campaign reports that results from their yearly solicitation of private businesses are mixed. While the number of jobs offered is up slightly from 1989 (700 vs. 670), the percentage of minimum-wage jobs has increased and the number of hours has dropped, says Emmett McNulty.

Most of the jobs secured by the campaign have 25- to 35-hour work weeks, compared to mainly 40-hour-a-week jobs last year, and pay an average of $4.25 to $5 an hour, which is up slightly from 1989.

The Arizona Labor Force in March

Arizona's unemployment rate climbed sharply in March — moving up to the national rate of 5.2 percent — as 7,900 more people became unemployed in the month. The rise in unemployed was due to an increase of 3,300 in the labor force and a decline in employment of 4,600.

Despite the loss in residence-based employment, total wage and salary jobs increased 7,300. But the increase was a seasonally weak amount given that 10,800 has been the average March gain during this going-on-eight-year period without a recession. March normally brings increased construction activity as well as substantial gains by trade and services. This year, construction, trade, and services all had weaker-than-average March increases.

Nevertheless, over-the-year job growth in Arizona — at 2.8 percent — was still ahead of the national rate of 2.3 percent. Arizona's annual job growth dropped off to 40,800 jobs from 47,700 in February.

We can't rejoice, however, in Arizona's first construction increase in eight months. An 800 gain in March does not a construction recovery make. The seasonal increase for March is normally about 2,000. Pima County, though, probably believes that the state and Maricopa County should count their blessings, since it posted a 100 loss in construction against gains by Maricopa County (500) and nonmetropolitan counties (400). Pima County has not had a construction employment loss in March in at least eight years.

Because construction industry growth is so closely tied to interest rates, DES, Research Administration does not anticipate much improvement in the months ahead. The inflation-fighting hawks on the Federal Open Market Committee (FOMC) have the upperhand from recent economic events, so there is little chance for lower interest rates.

Trade's anemic 700 gain was weak at both the wholesale and retail levels. Wholesale trade gained 300, half the average March gain, and retail trade gained 400, about one-quarter the average gain in March.

Food stores were responsible for the weakness in retail trade, losing 600 in March after a 1,300 loss in February. Some of this loss was from new stores paring back after grand-opening bonanzas, while other losses were from established stores getting lean and mean to face the new competition.

Restaurants and bars enabled retail trade to have an employment gain, posting 1,100 new jobs. Still, this was 400 under

(Continued on page 12)

Arizona Labor F

March 199

ARIZONA

	Mar.* 1990	Feb. 1990	Mar. 1989	Amount Change Feb.-Mar.	Amount Change 1989-1990
TOTAL CIVILIAN LABOR FORCE**	1698.4	1695.1	1060.4	+3.3	-11.3
Total Unemployment	87.4	79.5	97.4	+7.9	-10.0
Rate	5.1	4.7	5.7	—	—
Rate (Sea. Adj.)***	5.2	4.8	5.8	—	—
Total Employment	1611.0	1615.6	1612.3	-4.6	-1.3

Note: Above Labor Force Statistics Should Not Be Used for Economic Assistance Programs

NONAGRICULTURAL WAGE AND SA

TOTAL WAGE AND SALARY	1505.4	1498.1	1464.6	+7.3	+40.8
Manufacturing	187.5	187.5	188.0	+0.0	-0.5
Durable Goods	141.8	141.9	143.0	-0.1	-1.2
Stone, Clay, and Glass	7.4	7.4	7.2	+0.0	+0.2
Primary and Fabricated Metals	15.7	15.8	15.5	-0.1	+0.2
Primary Metals	7.8	7.8	7.8	+0.0	+0.0
Fabricated Metals	7.9	8.0	7.7	-0.1	+0.2
Machinery	58.9	59.3	62.3	-0.4	-3.4
Aircraft and Missiles	26.6	26.3	25.5	+0.3	+1.1
Lumber and Wood Products (Excluding Furniture)	7.5	7.6	6.8	-0.1	+0.7
Nondurable Goods	45.7	45.6	45.0	+0.1	+0.7
Food and Kindred Products	9.7	9.7	9.2	+0.0	+0.5
Printing and Publishing	16.8	16.7	16.8	+0.1	+0.0
Mining and Quarrying	12.7	12.7	12.1	+0.0	+0.6
Copper Mining	9.7	9.7	9.1	+0.0	+0.6
Construction	81.3	80.5	85.4	+0.8	-4.1
Trans., Communications, & Public Utilities	80.1	78.9	75.8	+1.2	+4.3
Transportation	43.9	43.5	39.5	+0.4	+4.4
Communications and Public Utilities	36.2	35.4	36.3	+0.8	-0.1
Trade	376.8	376.1	366.7	+0.7	+10.1
Wholesale Trade	78.4	78.1	74.6	+0.3	+3.8
Retail Trade	298.4	298.0	292.1	+0.4	+6.3
General Merchandise and Apparel	45.3	45.5	44.2	-0.2	+1.1
Food Stores	49.1	49.7	47.7	-0.6	+1.4
Automotive and Service Stations	35.3	35.1	34.7	+0.2	+0.6
Eating and Drinking Places	107.3	106.2	105.9	+1.1	+1.4
Finance, Insurance, and Real Estate	93.9	93.6	92.3	+0.3	+1.6
Services and Miscellaneous	408.1	405.8	389.4	+2.3	+18.7
Hotels and Lodging Places	46.5	45.7	43.8	+0.8	+2.7
Business Services	75.8	75.4	72.6	+0.4	+3.2
Health Services	100.1	99.9	96.6	+0.2	+3.5
Government	265.0	263.0	254.9	+2.0	+10.1
Federal	46.0	45.9	44.3	+0.1	+1.7

* Preliminary

** Labor force, unemployment and employment are reported by place of residence.

*** Normal seasonal variations have been eliminated to reflect underlying economic trends.

**** Business Services undergoes a series break between December 1987 and January 1988 as a result of the 1987 SIC realignment.

rce and Employment

(in thousands)

MARICOPA COUNTY					PIMA COUNTY				
			Amount	Change				Amount	Change
Mar.* 1990	Feb. 1990	Mar. 1989	Feb.- Mar.	1989 1990	Mar.* 1990	Feb. 1990	Mar. 1989	Feb. Mar.	1989 1990
1051.8	1051.5	1060.4	+0.3	-8.6	308.1	308.5	318.4	-0.4	-10.3
45.3	40.3	50.8	+5.0	-5.5	12.7	11.6	15.6	+1.1	-2.9
4.3	3.8	4.8	—	—	4.1	3.8	4.9	—	—
4.3	3.9	4.7	—	—	4.1	3.7	4.9	—	—
1006.5	1011.2	1009.6	-4.7	-3.1	295.4	296.9	302.8	-1.5	-7.4
ARY EMPLOYMENT BY PLACE OF WORK									
992.3	988.9	968.1	+3.4	+24.2	256.1	255.0	253.7	+1.1	+2.4
139.3	139.4	139.2	-0.1	+0.1	26.7	26.5	28.9	+0.2	-2.2
106.7	106.9	106.9	-0.2	-0.2	21.2	21.1	23.4	+0.1	-2.2
4.5	4.5	4.4	+0.0	+0.1					
10.7	10.8	10.5	-0.1	+0.2					
48.6	49.1	50.7	-0.5	-2.1					
32.6	32.5	32.3	+0.1	+0.3	5.5	5.4	5.5	+0.1	0.0
6.6	6.6	6.2	0.0	+0.4					
12.1	12.0	12.1	+0.1	+0	.0				
1.0	1.0	0.9	+0.0	+0.1	2.2	2.2	2.0	+0.0	+0.2
54.3	53.8	58.4	+0.5	-4.1	14.2	14.3	15.1	-0.1	-0.9
55.7	55.5	52.7	+0.2	+3.0	9.6	9.5	9.2	+0.1	+0.4
32.8	32.7	29.5	+0.1	+3.3	4.9	4.8	4.4	+0.1	+0.5
22.9	22.8	23.2	+0.1	-0.3	4.7	4.7	4.8	+0.0	-0.1
253.8	253.9	248.5	-0.1	+5.3	59.6	59.6	58.6	+0.0	+1.0
62.0	61.9	59.4	+0.1	+2.6	7.7	7.7	7.4	+0.0	+0.3
191.8	192.0	189.1	-0.2	+2.7	51.9	51.9	51.2	+0.0	+0.7
28.2	28.5	28.0	-0.3	+0.2	6.9	6.9	7.3	+0.0	-0.4
31.5	31.9	30.6	-0.4	+0.9	8.0	8.1	8.1	-0.1	-0.1
22.4	22.3	21.9	+0.1	+0.5	5.7	5.7	5.6	+0.0	+0.1
68.9	68.3	68.2	+0.6	+0.7	19.8	19.8	19.8	+0.0	+0.0
75.6	75.3	74.0	+0.3	+1.6	11.3	11.3	11.5	+0.0	-0.2
276.7	275.2	264.3	+1.5	+12.4	74.8	74.6	72.2	+0.2	+2.6
29.4	29.0	27.2	+0.4	+2.2	7.1	7.1	7.0	+0.0	+0.1
61.0	60.6	58.9	+0.4	+2.1	10.1	10.2	9.9	-0.1	+0.2
64.9	64.8	62.5	+0.1	+2.4	21.7	21.5	21.3	+0.2	+0.4
135.9	134.8	130.1	+1.1	+5.8	57.7	57.0	56.2	+0.7	+1.5

NOTE: **Prepared by Arizona Dept. of Economic Security, Research Administration, in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics.**

Estimated Hours and Earnings of Production Workers in Selected Industries
Arizona

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Mar.* 1990	Feb. 1990	Mar. 1989	Mar.* 1990	Feb. 1990	Mar. 1989	Mar.* 1990	Feb. 1990	Mar. 1989
Manufacturing	418.40	414.51	402.87	41.1	41.0	40.9	10.18	10.11	9.85
Aircraft & Missiles	649.74	637.46	601.04	45.5	45.5	44.0	14.28	14.01	13.66
Food & Kindred Prod.	327.08	332.09	333.72	38.8	39.3	40.5	8.43	8.45	8.24
Primary Metals	490.27	477.97	51.78	37.8	37.4	39.6	12.97	12.78	13.05
Machinery	384.46	375.72	397.36	38.6	38.3	40.3	9.96	9.81	9.86
Copper Mining	591.91	576.63	556.38	43.3	43.0	42.7	13.67	13.41	13.03
Construction	437.55	422.80	423.40	36.8	35.8	35.7	11.89	11.81	11.86
Utilities	761.69	726.77	656.99	43.6	44.1	39.2	17.47	16.48	16.76
Retail Trade**	259.25	257.21	247.41	32.9	32.6	32.9	7.88	7.89	7.52
Wholesale Trade	372.66	380.32	364.43	38.3	38.3	38.2	9.73	9.93	9.54

Estimated Hours and Earnings of Production Workers in Selected Industries
Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Mar.* 1990	Feb. 1990	Mar. 1989	Mar.* 1990	Feb. 1990	Mar. 1989	Mar.* 1990	Feb. 1990	Mar. 1989
Manufacturing	447.62	435.72	427.63	41.6	41.3	41.0	10.76	10.55	10.43
Construction	454.69	442.73	443.09	37.3	36.2	36.2	12.19	12.23	12.24
Retail Trade**	270.01	268.07	267.69	33.5	33.3	34.1	8.06	8.05	7.85
Wholesale Trade	386.08	395.68	382.69	38.0	37.9	38.5	10.16	10.44	9.94

Estimated Hours and Earnings of Production Workers in Selected Industries
Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Mar.* 1990	Feb. 1990	Mar. 1989	Mar.* 1990	Feb. 1990	Mar. 1989	Mar.* 1990	Feb. 1990	Mar. 1989
Manufacturing	346.16	350.04	369.40	36.4	36.5	38.6	9.51	9.59	9.57
Construction	371.47	371.47	393.02	36.1	36.1	36.8	10.29	10.29	10.68
Utilities	599.78	593.54	579.10	38.3	39.1	41.1	15.66	15.18	14.09

* Preliminary.

** Excludes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Nonmetropolitan Counties
Labor Force and Employment
March 1989

	Apache	Cochise	Coco-nino	Gila	Graham	Green-lee	La Paz
CIVILIAN LABOR FORCE*	14,475	35,600	44,650	12,775	7,775	2,775	5,900
Total Unemployment	2,075	2,475	3,075	1,400	650	225	450
Rate	14.3%	7.0%	6.9%	11.0%	8.4%	8.1%	7.6%
Rate (Seas. Adj.)**	15.0%	6.6%	7.0%	10.0%	8.1%	8.3%	7.7%
Total Employment	12,400	33,125	41,575	11,375	7,125	2,550	5,450

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS

	Apache	Cochise	Coco-nino	Gila	Graham	Green-lee	La Paz
TOTAL WAGE AND SALARY	15,275	26,750	42,325	11,225	5,050	2,800	4,000
Manufacturing	875	1,225	3,275	1,450	225	25	325
Mining & Quarrying	50	150	325	1,325	0	1,625	75
Construction	625	775	1,725	325	175	100	175
T.C.P.U.	2,200	1,850	3,075	450	175	50	150
Trade	1,850	5,750	9,450	2,550	1,325	225	1,325
F.I.R.E.	450	675	675	300	100	25	100
Services & Misc.	4,225	5,100	11,075	2,125	850	125	950
Government	5,000	11,225	12,725	2,700	2,200	625	900

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	35,750	28,150	38,500	12,150	39,050	60,900
Total Unemployment	1,900	3,200	3,000	1,075	2,050	7,800
Rate	5.3%	11.4%	7.8%	8.8%	5.2%	12.8%
Rate (Seas. Adj.)**	5.1%	11.3%	7.7%	10.2%	4.7%	18.4%
Total Employment	33,850	24,950	35,500	11,075	37,000	53,100

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
TOTAL WAGE AND SALARY	26,375	22,275	30,875	12,075	27,875	30,075
Manufacturing	2,575	1,875	3,975	1,175	2,200	2,325
Mining & Quarrying	25	1,200	3,725	0	825	75
Construction	3,075	1,200	675	375	2,300	1,350
T.C.P.U.	1,150	1,675	1,075	775	1,075	1,075
Trade	8,025	4,325	6,300	5,575	7,550	9,125
F.I.R.E.	1,200	400	850	300	950	950
Services & Misc.	6,050	5,475	4,650	2,000	7,025	7,000
Government	4,275	6,125	9,625	1,875	5,950	8,175

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities

F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs
March 1990

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,698,414	1,611,034	87,380	5.1%
Apache	14,478	12,396	2,082	14.4
Cochise	35,592	33,115	2,477	7.0
Coconino	44,634	41,568	3,066	6.9
Gila	12,767	11,375	1,392	10.9
Graham	7,780	7,133	647	8.3
Greenlee	2,767	2,544	223	8.1
La Paz	5,910	5,454	456	7.7
Maricopa	1,051,881	1,006,540	45,341	4.3
Mohave	35,750	33,843	1,907	5.3
Navajo	28,141	24,941	3,200	11.4
Pima	308,099	295,447	12,652	4.1
Pinal	38,501	35,508	2,993	7.8
Santa Cruz	12,157	11,080	1,077	8.9
Yavapai	39,045	36,993	2,052	5.3
Yuma	60,910	53,098	7,812	12.8

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

The Arizona Labor Force in March

(Continued from page 7)

the March average and less than half last year's March gain. Some part of this weakness may be due to the baseball lockout, but there is no way to tell how much.

Weakness in services was apparent throughout its component industries, but especially among health services. As a whole the industry gained 2,300, or 1,200 less than the March average. Hotels and other lodging places picked up 800, about 100 below average. This was the first winter season with no major new resorts opening after two years where several large hotels came on line. Business services' growth in March also came in 100 under average, posting a 400 gain. Health services added only 200 when 500 is normal.

Answers about the economic impact of a reduced spring training schedule are not discernable from March employment figures. Baseball employment would be found among "amusement services," which is buried in the residual of "other services." Amusement services also includes race track employment (horse, dog, stock car, Grand Prix) as well as golf courses, and miscellaneous categories such as archery ranges, pool halls, shooting ranges, and ski rentals.

Were any industries star performers in March? Only one. Transportation, communications, and public utilities (TCPU) posted a 1,200 gain, more than double the usual average. Two-thirds of that gain was by public utilities and was attributable to maintenance of facilities in northern counties.

Manufacturing remained static over-the-month, which is not bad considering that manufacturing is losing employment nationally. But it is not good considering that there has been an average 500-employment gain in March since 1982. Machinery manufacturing lost 400 while aircraft and missiles manufacturing picked up 300.

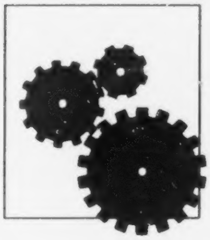
Government gained 2,000, an average March increase despite some staffing-up for the 1990 census. The impact of census employment should be revealed in April statistics.

— Ron Simon
RA Economic Analysis Manager

New Developments

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the Arizona LMI Newsletter is not responsible for incorrect information reported by these sources.

MANUFACTURING — **RePak Surgical Co.**, a joint venture of Marriott Corp. and Standard Textile Co., will build a plant in Tempe to reprocess recyclable surgical garments. The RePak facility, scheduled to open in the fall, will operate out of an existing 12,000-square-foot building at the Broadway Industrial Park, Southern Avenue and Hardy Drive, and will employ about 50 workers when its fully functional. Most hospitals currently use disposable garments and drapes in operating rooms, which must be treated as hazardous waste.



—

Garrett Airline Services Division of Phoenix has begun construction on two buildings at 47th Street and Hammond Lane, near Sky Harbor International Airport, that will cost nearly $8 million. A 55,000-square-foot facility, which will be used for repair and overhaul of auxiliary power units, will open in September and employ 200, but its work force is expected to double in five years. Also, a 31,000-square-foot machine shop is expected to open in late 1991 and employ 40, and its work force should increase to between 320 and 350 within five years. Garrett, a division of Allied-Signal Aerospace Co., specializes in building and repairing turbine jet engines.

—

A U.S. Bankruptcy Court has approved the sale of **Learjet Corp.** by Integrated Resources Inc. to a Canadian corporation that develops and manufactures a variety of transportation equipment, including large business jets. Wichita, Kan.-based Learjet has customer service, aircraft refurbishing and used aircraft sales operations in Tucson that employ 300. Meanwhile, the Tucson facility will increase its work force by 35 before June because of an $11 million Air Force contract it was awarded to install digital electronic engine computers and ground proximity warning systems into C-21A jets.

—

In early May, **EECO Inc.** laid off about one-third of a 100-employee work force at its Tucson computer keyboard plant. Southern California-based EECO, which is in the middle of a bankruptcy reorganization, says it will need fewer employees because it plans to make only custom keyboards instead of mass-produced ones. EECO says it has lost $20 million over the past two years because of increased competition from foreign competitors.

—

Micro Metallics Corp., a San Jose, Calif., recycling company, has opened a warehouse in Chandler for collection and processing of discarded computers and electronics equipment. For now, however, the company will ship the high-tech "junk" to California for processing where valuable metals — gold, silver, platinum — will be extracted.

—

Lockheed Aeromod Center Inc. expects to employ several more hundred workers than first anticipated at an aircraft maintenance facility it's building at Tucson International Airport. The 300,000-square-foot maintenance center, which should open in December, will initially have 185 employees, then expand to 560 a year later and swell to 900 by the end of 1993. The facility's primary occupational need will be airframe mechanics (40 initially and 200 in three years), with Lockheed planning to set up a training program for those positions at Pima Community College and guaranteeing employment upon graduation.

CONSTRUCTION — **Phoenix-area housing permits** for single-family and multi-family units in 1989 plunged 36 percent from '88 levels and were 50 percent below 1987 totals, according to the Home Builders Association of Central Arizona. A total of 13,480 housing permits were issued last year, compared to 21,091 in '88, and 27,024 in '87.

—

Sky Harbor International Airport has begun talks with **Tishman Realty and Construction Co.** about building a $30 to $40 million, 300-room **Westin hotel** on land west of Terminal 1 where a TraveLodge Hotel was located before it was torn down last year.

—

Ground has been broken on a **$10.3 million domed stadium** that will be used for high school athletics and other indoor events for the communities of Springerville and Eager. **Sletten Construction** was awarded the contract for the Round Valley Ensphere, which will include 120,000 square feet of unobstructed floor space. Completion of the project is expected in June 1992.

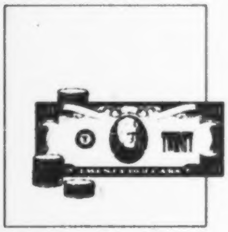
—

Dallas-based **Trammell Crow Co.** plans to build five retail centers (with 1.2 million of square feet) in the Phoenix metropolitan area over the next two years — three in the East Valley. The projects include: the 400,000-square-foot

(Continued on page 14)

(Continued from page 13)

Spectrum Festival Center, Interstate 10 and Baseline Road; a 140,000-square-foot development anchored by an Albertson's food store at Broadway and Power roads in Mesa; a 160,000-square-foot retail center at Kyrene and Warner roads in Tempe; a 400,000-square-foot development next to the Westridge Festival Center, 75th Avenue and Thomas Road in west Phoenix; and a 120,000-square-foot center anchored by an Albertson's at Tatum Boulevard and Greenway Road in north Phoenix.



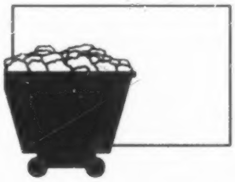
FINANCE, INSURANCE and REAL ESTATE — **Reynolds Metals Co.** of Richmond, Va., plans in early August to move its **Western Regional Credit Office** from Los Angeles to Scottsdale. The Reynolds unit, which will be located at the Gainey Ranch Corporate Center, 8777 N. Gainey Ranch Center Dr., will be responsible for credit approvals and collections for 10 western states. Initially, the company will hire about 15 clerical and support workers from the Valley.

SERVICES — **Phoenix Memorial Health Resources** has become the third hospital group in recent months to take the advice of a famous author and head west, the west Valley, that is. The parent company of Phoenix Memorial Hospital says it plans to build over a period of 15 years a 36-acre medical complex in Goodyear on the southeast corner of McDowell and Litchfield roads. The project, which will be developed in three parts, will include a primary care unit and outpatient surgery center, an occupational and industrial medical center, a child development center, nursing care facilities, and a 110-bed hospital. In March, St. Joseph's Hospital and Medical Center, and Samaritan Health Services announced plans for major medical projects (see April 1990 issue of *Arizona LMI Newsletter*) in the surrounding area, which is being developed as a master-planned community .

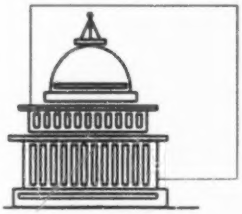
Officials of **Yavapai Regional Medical Center** (YRMC) met with employees in early May concerning possible additional layoffs due to continuing losses from sharp declines in patient loads. In late April, YRMC eliminated 37 full-time positions.

Although the state lost out to Texas for the supercollider project, the Mountain States Regional Office of the engineering firm of **Parsons Brinckerhoff Quade and Douglas Inc.**, located in Tempe, has been selected as lead designer of the $6 billion project's underground tunnel. The engineering firm's track record on designing tunnels and underground excavation played a major role in landing the project, Regional Manager David French says.

Occupancy rates at hotels in Phoenix and Tucson rose slightly in 1989, while in Flagstaff rates fell four percentage points below their high levels of 1987, according to the annual *Arizona Lodging Survey*. Occupancy rates at Tucson resorts and first-class, non-resort hotels in 1989 were 65 percent and 63 percent, respectively, both up 1 percent over 1988. Employment levels in the Pima County hotel industry, however, have remained about the same during the past two years, compared to double-digit growth in the mid-1980s, as hotels try to cut costs. In Phoenix, resort occupancy increased to 64.7 percent, up 4 percentage points, while first-class, non-resort hotels improved to 62 percent from 59 percent. Flagstaff's strongest hotel group — economy class — was at 73 percent in 1989, down from 77 percent two years earlier, and is expected to fall to 63 percent this year due to the addition of 400 rooms.



MINING — The **copper mining industry** put $1.25 billion into the Arizona economy in 1989 in the form of wages, purchases, utility and construction costs, taxes, and dividends, according to the Arizona Mining Association. In addition, copper mining employment in 1989 grew by 900 over the previous year to 10,400 workers, the association says. Major reason for the increases: rising price per pound for cathode copper — $1.30 in 1989, up 10 cents from 1988.



GOVERNMENT — **Davis-Monthan Air Force Base** in Tucson, which has 7,500 military and civilian employees, is one of two alternative choices being considered for closure by the Air Force as part of cost-cutting measures by the military. Defense Secretary Dick Cheney has proposed Myrtle Beach Air Force Base in South Carolina as the Pentagon's first choice. Arizona's congressional delegation says it's unlikely the base will be closed because of the its good-weather location and use as a storage center for 3,000 mothballed aircraft.

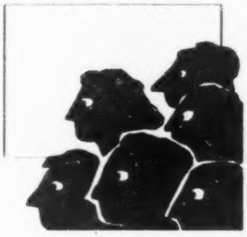
Despite vehement public protest, the governing board of the

(Continued on page 15)

(Continued from page 14)

Tuba City Public Schools (on the Navajo Indian Reservation) voted in April to cut 172 staff jobs for next school year due to a budget shortfall. Several teachers, however, say they plan to take legal action against the board for firing them without notification, and the board has also been accused of violating the Arizona Open Meetings Law by a Flagstaff newspaper.

TRADE — **K mart** has targeted Arizona for four of 50 to 70 prototype stores it's building as part of a $2.3 billion project to upgrade the retail giant's image and help it compete against rivals such as Wal-Mart. The planned stores — three in the Phoenix area, one in Green Valley — sport a different design and have 30 to 50 percent more space. K mart, which has 32 stores in the state, also plans to expand outlets in Yuma and Casa Grande.



A San Francisco investment company, the **Levin Group**, is buying the **The O'Malley Cos.**, the 83-year-old family-owned building-supply company that has five stores in the Valley. The O'Malley Cos., which has suffered a downturn in sales due to increased competition from HomeClub and The Home Depot, was sold to a Phoenix contractor and two O'Malley's executives last year, but the deal fell through when the group was unable to come up with financing. No details are available on how the sale will affect employment.

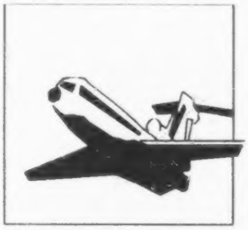
Carl Karcher Enterprises Inc. of Anaheim, Calif., is considering selling or franchising its 40 **Carl's Jr.** fast-food restaurants in Arizona, which the company says are losing $5 million a year. The Southern California-based chain had announced 18 months ago plans to expand to 80 outlets in the state.

Yavapai County Board of Supervisors has approved zoning for a **175,000-square-foot shopping center** in **Dewey** that will be anchored by an IGA Food Store and probably a drugstore. Developer of the project, Jake Weber of Sedona, expects the grocery store to be complete in a year, but has not decided what other stores will be in the development, which will be on the west side of Highway 69 between Aztec Drive and Bradshaw Mountain Road.

Arizona Mail Order Co. Inc.'s purchase of a Phoenix business — **Ambassador** — will bring 200 to 300 jobs to Tucson over the next year, its home base, says the clothing mail-order company. Arizona Mail Order, which operates under the name of **Old Pueblo Traders**, says it will hire workers almost entirely from the Tucson area, adding to its current work force of about 1,000, employed in four catalog centers around Tucson.

Everything Yogurt, which features soups, salads, and sandwiches, plus its namesake, has opened the first of four locations in the Valley at Fiesta Mall. Other locations planned are at the Superstition Springs Center in Mesa, the Arizona Center in downtown Phoenix, and the Scottsdale Fashion Square, Scottsdale and Camelback roads.

TRANSPORTATION, COMMUNICATIONS AND PUBLIC UTILITIES (TCPU) — About 350 **Arizona Public Service Co.** (APS) employees accepted an early retirement plan that will save the state's largest utility nearly **$17 million.** APS, which currently has 7,500 employees, plans to reduce its work force this year by an additional 150 through attrition, bringing to 1,500 the number of employees who have been laid off or accepted early retirement since 1988. The state's other major utility, Salt River Project, laid off nearly 700 employees in 1989 as part of a cost-cutting plan.



American Airlines has brightened the employment skyline in Tucson by announcing it will move a "satellite" reservations center from Los Angeles to the "Old Pueblo" that initially will employ 500 and eventually grow to 800 or 1,000 workers. American says the pay range for the facility's workers — primarily reservations agents — will be between $6 and $16, about the same levels currently being paid to the airline's L.A. workers.

MISCELLANEOUS — The state's Commerce Department has designated four "economically depressed" areas of Arizona as enterprise zones. Companies that start businesses and hire employees in these areas can receive financial incentives — primarily tax credits — and the zones will also offer training, marketing and speeded-up permit processing. The four areas selected were: Yuma, Navajo and Santa Cruz counties, along with south Phoenix.

According to M/PF Research Inc. of Dallas, the **Valley ranked 10th in employment growth** among metropolitan areas in 1989, adding 30,400 jobs. Leading the country in job growth was Los Angeles with 79,800 jobs, followed by Washington D.C., Seattle, Houston, San Diego, Minneapolis, Oakland, Chicago, and Cincinnati.

Arizona Labor Market Newsletter
LABOR MARKET INFORMATION PUBLICATIONS
Site Code 733A
P.O. Box 6123
Phoenix, Arizona 85005

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, $300

ADDRESS CORRECTION REQUESTED

POSTAGE & FEES PAID
EMPLOYMENT SECURITY MAIL
LAB 449
FIRST CLASS MAIL

If you do NOT desire to continue receiving this publication, please check here ☐ and r e.

If your address has changed, please indicate change and return this cover to the addr

USPS
CONGRESSIONAL INF. SERVICE
CHERYL WALDMAN
4520 EAST WEST HIGHWAY
BETHESDA, MARYLAND 20814

This periodical is issued and printed by the Arizona De ' as authorized by the Wagner-Peyser Act and is paid out o U.S. Department of Labor.

Reproduction of this publication for commercial use is prohibited by Section 39-121, Arizona Revised Statutes. Permission to reprint this publication, or parts of it, for nonprofit use may be granted upon written request, if credit will be given citing this publication and the Arizona Department of Economic Security.

S0465-1-P A

ARIZONA LABOR MARKET INFORMATION NEWSLETTER

Vol. XIV No. 6
June 1990

Unemployment Rate

Seasonally Adjusted
April*

ARIZONA	5.3%
Maricopa Co.	4.3
Pima Co.	4.1
United States	5.4

Consumer Price Index

U.S. – April 1990
Base = 1982-84

Wage Earner/Clerical Worker	127.3
% Chg. Year Ago	4.5
All Urban	128.9
% Chg. Year Ago	4.7

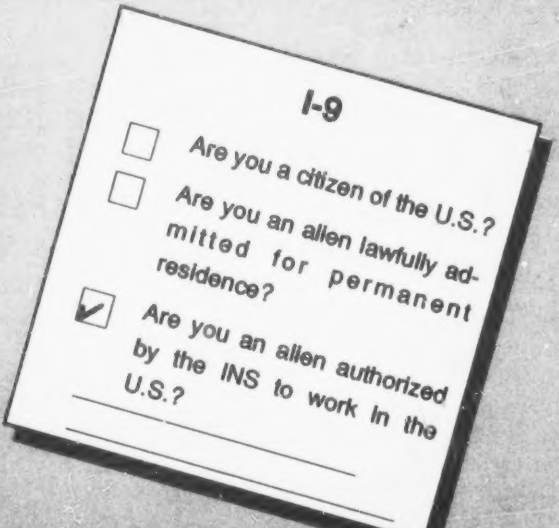
Phoenix – 1st Qtr 1990
Base = 1982-84

All Urban	131.5
% Chg. Year Ago	6.3

Tucson – 1st Qtr 1990
Base = 1982-84

All Urban	130.1
% Chg. Year Ago	3.9

* Preliminary



I-9

☐ Are you a citizen of the U.S.?

☐ Are you an alien lawfully admitted for permanent residence?

☑ Are you an alien authorized by the INS to work in the U.S.?

Employer Sanctions:

Good or Bad? What Have Been Their Effects?

When Congress enacted the Immigration Reform and Control Act of 1986 (IRCA), making 7 million American businesses responsible for hiring only "eligible workers" — or face possible criminal sanctions — legislators and other officials were aware of potential problems the law could cause.

(Continued on page 4)

Inside This Issue **Page**

Employer Sanctions Receive Mixed Reviews 2
INS Enforcement in Arizona Following Regional Pattern 2
Sanctions Only Partially Effective on Immigration Front 7
IRCA Not Causing Labor Shortages in State, Study Shows 8
The Arizona Labor Force in April 9
Arizona Labor Force Statistics 10
News in Brief 16
New Developments 17
LMI Publications — Hot Off the Press 19

Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency

Reports Give Employer Sanctions Mixed Reviews

INS Credited for Taking Cautious Policy, But Fear of Fines Causing Discrimination

While the agency that enforces the employer-sanction provisions of the Immigration Reform and Control Act of 1986 (IRCA) has been moderately successful in policing the country's 7 million businesses, the threat of penalties against employers has caused a "widespread pattern" of discrimination, two recent reports have concluded.

Thirty months after IRCA went into effect the primary regulator of the employer-sanction provisions, the Immigration and Naturalization Service (INS), has proceeded cautiously in enforcement and "largely satisfied legal norms and averted broad political backlash from the regulated," says an Urban Institute and RAND Corp. report, *Enforcing Employer Sanctions: Challenges and Strategies*.

The study, which was released in April and took two years to complete, goes on to say, however, that the INS has suffered some growing pains during this period as it has changed from "a parliamentary and police agency into an investigative and educational organization." This metamorphosis has led to varying enforcement of policies across the country, wide fluctuations in fines, and an "overreliance on technical violations to meet production quotas," the report says.

The report, authored by Michael Fix and Paul Hill, evaluated INS enforcement on four levels: "establishing and sustaining the legitimacy of sanctions as a regime for regulating business"; satisfying legal issues relating to business regulation; the changing role of the INS; and regulating "a vast economic process" with limited resources.

Some of the findings of the Urban Institute/RAND Corp. report include:

- The INS "proceeded cautiously" in enforcement of employer sanctions, using an educational approach in the first 18 months of the law's existence, then concentrating on more technical violations — instead of criminal violations — relating to the filling out of employee-eligibility forms (I-9s)

(Continued on page 3)

ARIZONA LMI NEWSLETTER
SITE CODE 733A
P.O. BOX 6123
PHOENIX, AZ 85005-6123
(602) 542-3871
Brent Fine, Editor
Linda Van Calcar, Word Processor

Enforcement in Arizona Follows Regional Pattern

Even though Arizona borders Mexico and has a large Hispanic population, for the most part the businesses and work force in this state have not experienced an abnormal amount of problems associated with the implementation of the employer-sanction provisions of the Immigration Reform and Control Act of 1986 (IRCA), say government and business officials, as well as immigration attorneys.

At the same time, enforcement of employer sanctions by the U.S. Immigration and Naturalization Service (INS) in the state, and in particular, metropolitan Phoenix, appears to have followed a pattern of other western and border areas that was revealed in a study by The Urban Institute and The RAND Corp. (see "INS Credited ...," this page).

But a "pattern of widespread discrimination" resulting from employer sanctions that was recently cited in a General Accounting Office (GAO) report might not be as severe a problem in Arizona as other areas, according to several officials and data from a report from the Office of Special Council for Immigration-Related Unfair Employment Practices (OCS) within the Justice Department, which is handling discrimination complaints related to IRCA.

"Our contact with employers has been generally positive," says Don Bergeron, an employer labor relations officer with the Phoenix District office of INS, which takes in all of Arizona — except for three western counties (including Yuma)— and Nevada. "Employers would be down on filling out employee eligibility forms (I-9s) to begin with, but eventually figured it was just one more piece of paperwork."

Few, if any, complaints by members of the

(Continued on page 4)

(Continued from page 2)

- Penalties varied across INS districts and by regions of the country, which led to wide fluctuations in the number of NIFs (Notices of Intent to Fine) and the average amount of fines (see Table 2). In larger metropolitan areas and the northern and eastern parts of the country, the number of NIFs was smaller, but the amount of the fines was larger than in the southern and western regions.
- Enforcement practices varied by geographic region with some districts relying on a multi-stage "regulatory" style of action (primarily in the larger metropolitan areas), while other districts (particularly those near the border) used a "police model" approach where surveys or raids were conducted early in the investigation, then followed up by review of I-9s.
- Smaller and ethnic employers, in industries where illegal aliens have been historically hired, received a predominance of the fines — that's particularly true in the Phoenix metropolitan area — except in some of the larger cities where violations were cited across a variety of industries and against larger companies.
- Productivity of INS investigators was limited by inexperience, lack of funding for enforcing sanctions, and the inability to produce "knowing" infractions due to evasion tactics, such as use of false documents.

Table 1. **Criminal and Civil Penalties for Violation of IRCA**

Civil Penalties

Violation	Fine Amount
Hiring or continuing to knowingly employ unauthorized employees (1st time)	Not less than $250 and not more than $2,000 for each employee
Same as above (2nd time)	Not less than $2,000 and not more than $5,000 for each employee
Same as above (3rd or more times)	Not less than $3,000 and not more than $10,000 for each employee
Failing to comply with record-keeping requirements	Not less than $100 and not more than $1,000 for each employee for which form was not completed or completed properly
Employers requiring bond or indemnity from an individual against liability under the law	$1,000 or ordered to make restitution
Recruiting unauthorized seasonal agricultural workers outside the U.S.	Same penalties as for hiring unauthorized workers

Criminal Penalties

Violation	Fine Amount
Engaging in a pattern or practice of knowingly hiring or continuing to employ unauthorized workers	$3,000 per employee and/or 6 months imprisonment. Criminal sanctions reserved for serious or repeated violations
Engaging in fraud or false statements, or otherwise misusing visas, immigration permits, and identity documents	Imprisonment up to five years or fines or both

Source: Instructions for Completing Form I-9 (Employment Eligibility Verification Form), U.S. Department of Justice, May 1987

A General Accounting Office (GAO) report, meanwhile, determined that IRCA's employer sanctions have led to discrimination against aliens and U.S. citizens who, for various reasons, employers believe are not eligible to work in this country. The GAO study, *Employer Sanctions and the Question of Discrimination*, was mandated by Congress when IRCA was passed to determine if widespread discrimination would result solely from the law.

(Continued on page 5)

(Continued from page 2)

Arizona Chamber of Commerce appear to confirm Bergeron's analysis, although at least one industry group in the state — restaurants — has complained about its treatment (see below).

Howard Alexander, vice president of communications for the Arizona Chamber of Commerce, says his organization has not heard of a backlash from business in this state over employer sanctions. "It hasn't been a hot issue at this point," says Alexander, whose organization opposed the employer-sanction provisions when Congress drafted the legislation, following the lead of the U.S. Chamber of Commerce.

Marshall Whitehead, an immigration attorney in Phoenix, says "most employers (in Arizona) are trying to comply" with IRCA and that employer sanctions have had "some effect on illegal immigration" in Arizona. But, the attorney says, because the state "is very conservative, very enforcement oriented," and has relatively low wages, illegal immigration is much less of a problem in Arizona that in states such as California and Texas, making enforcement much easier. "Arizona is a trickle compared to Los Angeles. It's not a big pipeline," Whitehead says.

The head of the INS investigative unit of the Phoenix District, Jack Weaver, contends that employer sanctions have had an impact in reducing the flow of illegal immigration because employers have had to increase wages in certain occupations to attract workers. As an example, Weaver says that he has been told that wages in Phoenix for busboys (dining room attendants) — an occupation that historically attracts illegal aliens — have increased from $3.00 an hour in 1987 to between $4.35 and $4.70 an hour.

Data from the Arizona *Job Bank Wages* publications, however, do not show a dramatic rise in wages for dining room attendants. In August 1986, the average wage for dining room attendants that were solicited through Job Service offices in Phoenix was $3.51 an hour, while in August 1989 the wage had increased to $3.83 an hour.[1] And the legislative director of the Arizona Restaurant Association, Joe Banks, says that while "it's been a little more difficult to get dishwashers and busboys," wages for those occupations have not increased significantly.

Turning to the enforcement process, Bergeron says that after IRCA was passed the number of INS investigative agents in Arizona doubled from 10 to 20. For the first 18 months of the law, Bergeron says, most of those agents were involved in enforcement of IRCA's employer sanctions — primarily to educate businesses — but currently

(Continued on page 6)

(Continued from front page)

Some of those anticipated problems were: complaints about additional paperwork, confusion over what documents were necessary to be eligible to work, industry harassment (e.g., restaurants, hotels) by federal agencies investigating violations, and discrimination against workers that looked or sounded foreign or who lacked familiar worker-legibility documents.

Knowing this, Congress included several safeguards in IRCA in order to soften the blow on employers and to cut down on problem areas. First, the law was gradually phased in, and the agency primarily responsible for enforcing the employer sanctions, the Immigration and Naturalization Service (INS), was required to spend more than a year (November 1986 - June 1988) educating employers on how to properly fill out worker-eligibility forms (I-9s) and explaining what documents workers needed to prove their eligibility to work.

The INS also waited until after the education period — except in extreme cases — before issuing fines and was instructed to give warnings to first-time violators. Also, the Office of Special Council for Immigration-Related Unfair Employment Practices (OCS) was set up within the Justice Department to investigate complaints of alleged employment discrimination — based on origin and citizenship status — that were caused by IRCA.

Nevertheless, with the first major reform in immigration policy since the early 1950s and having put the burden on employers to check for worker eligibility, it was inevitable that changes in the law would be necessary.

And several recent reports — two by the combined effort of The Urban Institute and The RAND Corp., and one by the U.S. General Accounting Office (GAO) — suggest revisions in IRCA's employer sanctions and the enforcement process. The reports focus on how the sanctions have impacted businesses, employees, the policing federal agencies, and illegal immigration.

In this month's *Arizona Labor Market Information Newsletter*, several articles review the findings of these reports, as well as look at the sanctions' effect in the state.

(Continued from page 3)

The GAO used three criteria to come to its conclusions. The criteria included a review of federal agency implementation of IRCA; a review of complaints filed with federal agencies; and a survey of 9,400 employers, as well as a hiring audit of pairs of persons matched closely on job qualifications who applied for jobs with 360 companies in two cities.

The GAO concluded that "many employers discriminated because the law's verification system does not provide simple or reliable methods to verify jobs applicants' eligibility to work." But the report added that the amount of discrimination could be reduced "if employers were provided with more education on the law's requirements and a simple and more reliable verification system."

Some of the findings of the GAO report include:

- Due to IRCA, an estimated 461,000 (or 10 percent) of the 4.6 million employers in the survey population began one or more practices of national origin discrimination, usually based on a person's foreign appearance or accent.

> ***... the most common form of alleged discrimination has been by employers not accepting qualified worker-eligibility documents.***
>
> ***—Susan Gunter***
> ***Attorney, Office of Special Council***

- An additional 430,000 employers (9 percent) said that because of IRCA they began hiring only persons born in the United States or not hiring persons with temporary work-eligibility documents.
- Discrimination occurred across a variety of industries and "ranged by geographical location from 3 to 16 percent and were higher in areas having high Hispanic and Asian populations."
- A hiring audit in Chicago and San Diego showed that the foreign-appearing, foreign-sounding Hispanic member of matched pairs was three times more likely to encounter unfavorable treatment than the Anglo non-foreign-appearing member of the pairs.

Susan Gunter, a senior trial attorney with the Office of Special Council for Immigration-Related Unfair Employment Practices (OCS), which was set up to investigate discrimination practices connected with IRCA, says that of about 1,000 complaints her office has received, the most common form of alleged discrimination has been by employers not accepting qualified worker-eligibility documents.

Table 2. Number and Average Amount of Notices of Intent to Fine (NIFs) Assessed for I-9 Violations (As of March 31, 1989)

Site	NIFs	Avg NIFs
Chicago	11	$45,545
New York	53	11,511
El Past Dist.	21	6,645
Miami	22	5,385
Los Angeles	67	4,458
Pembroke Pines BP (Miami)	53	3,975
El Paso BP	99	3,900
Houston	53	3,865
Laredo	48	2,892
San Antonio	57	850
Phoenix	**38**	**3,026**

BP = Border Patrol

Sources: *Enforcing Employer Sanctions: Challenges and Strategies, The Urban Institute and The RAND Corp., p. 81, March 1990; Immigration and Naturalization Service, Phoenix District, June 1990*

An example would be employers that insist on non-residents having a Resident Alien Card (formerly known as the green card), when other types of documents — social security card, drivers license — can be used as well. "An alien can present documents that a citizen can," Gunter says.

Because of the GAO report and the limited success of the employer sanctions as a tool to reduce the flow of illegal immigrants (see "Study: Illegal," page 7), the status of employer sanctions is still up in the air. But because Congress took no action during a 30-day period after the GAO report was issued (March 1990), no changes are forthcoming in the sanction provisions until at least later this year, says Joanna T. Stark, chairman of the Arizona chapter of the American Immigration Lawyer's Association.

RAND Corp. is a private, non-profit organization, based in Santa Monica, Calif., which is involved in research and analysis of issues affecting the nation's security and domestic welfare. The Washington D.C.-based Urban Institute is a private, non-profit research and education organization that analyzes social and economic problems and government policies.

(Continued from page 4)

there are between 6 and 12 agents assigned to employer sanctions, primarily in the Phoenix area.

That total, however, does not include about five agents the Border Patrol, the chief policing arm of INS, has currently had assigned to investigate employer sanctions out of a Tucson office, down from about seven a few years ago. These agents are primarily working out of smaller Arizona towns (e.g., Nogales, Ajo) near the border. (The Border Patrol's function relating to employer sanctions, however, may be soon phased out, according to a recent story in the *Los Angeles Times.*)

In enforcing employer sanctions, the approach used by the Phoenix District Office of INS and the Border Patrol Sector Office in Tucson appears to fall within the parameters of other western and border states, as brought out in a study by the Urban Institute/RAND Corp. study, *Enforcing Employer Sanctions: Challenges and Strategies* (see "Reports Give ...," page 2).

Briefly, the report says that in the western U.S. and in border states the INS "used a more traditional "police" model in which a survey or raid was initiated early in the investigation, as opposed to a "multi-stage, regulatory" approach to enforcement emphasizing employer education and rights and document analysis. The "police" style of enforcement, the study says, also led to a greater number of Notices of Intent to Fine (NIFs), but smaller fine amounts.

Several managers of restaurants in the Phoenix area that received some of the larger NIFs for the district — $4,000 to $27,000 — complain they were fined for technical violations — such as a missing signature or a box that was not marked — were not given full educational visits, and employment records were returned in jumbled-up condition.

Although the Phoenix District Office says it uses three sources of information for starting its investigations — leads, random selection, and targeted industries — by far, the vast majority of its NIFs have been lead-driven — tips, apprehensions of illegal aliens away from work — says Richard Perry, an investigative officer with the Phoenix District Office. "Everything we do is lead-driven," Perry says.

The acting director of the INS' Phoenix District, Patrick Kane, says, however, that "demographics" — not style of enforcement "play a major role in what the agents do." "We tend to have a lot of medium-size and small businesses," which reduces the number of violations and thus the amount of fines, Kane says. And with smaller-sized businesses, "it's easier for agents to complete cases," which may account for the larger number of NIFs, the acting director says.

According to the Urban Institute/Rand Corp. study, INS policy allows for 60 percent of investigations to be lead-driven, with the other 40 percent coming from random selection and companies listed in targeted industries (e.g., hotels, restaurants). Bergeron and other INS officials in Arizona say they use all three methods, but did not give a percentage breakdown.

As for the fines, from late 1987 through March 31, 1989 — the time period used in the study —a total of 38 NIFs had been issued by the INS Phoenix District (not including its Border Patrol office) for the Phoenix metropolitan area with an average fine amount of about $3,200. And through early June, the INS Phoenix District had issued 112 NIFs to Phoenix-area companies totaling nearly $460,000, for an average fine of about $4,100.

In both time frames, the average amount of each NIF in the Phoenix metropolitan area compares closely to other cities in the used (See Table 2, "Reports Give ...," page 5). As of late , Phoenix has been maintaining a steady average of four to six NIFs a month, Bergeron says, and the average NIF in Phoenix since the beginning of the year has been about $6,000.

One industry — both nationally and in Arizona — that has been unhappy with enforcement procedures used by INS is restaurants. Several managers of restaurants in the Phoenix area that received some of the larger NIFs for the district — $4,000 to $27,000 — complain they were fined for technical violations — such as a missing signature or a box that was not marked — were not given full educational visits, and employment records were returned in jumbled-up condition.

Penelope Miedaner, administrative director of the Arizona Restaurant Association, says, "Most members were given NIFs not because they had illegal aliens, but because they

(Continued on page 8)

Study: Illegal Immigrants Partially Deterred by Sanctions

Employer sanctions imposed by the Immigration Reform and Control Act (IRCA) have only been partially effective in limiting illegal immigration, says a joint study by the RAND/Urban Institute Program for Research on Immigration Policy.

Table 1. **Average Wages and Wage Changes by City Type and Occupation (Correction for Sample Censoring Bias)**

	Experimental		Control		
Time Period	Dish	Car	Dish	Car	Difference Stat. Significant
Sample size	116	79	89	55	(a)
1987	3.58	3.22	3.55	3.55	(a)
	(.15)	(.12)	(.12)	(.10)	(a)
1988	3.66	3.42	3.67	3.62	(a)
	(.18)	(.10)	(.18)	(.14)	(a)
1989	3.80	3.63	3.79	3.81	(a)
	(.23)	(.24)	(.23)	(.37)	(a)
Wage change ($)					
1988-1987	.08	.20	.12	.09	Car: Yes
	(.18)	(.16)	(.21)	(.17)	Dish: No
1989-1987	.22	.41	.25	.27	Car: Yes
	(.40)	(.43)	(.38)	(.46)	Dish: No
Variance change ($)					
1988-87	.03	-.02	.06	.04	Dish: No
1989-1987	.08	.12	.13	.17	Dish: No

Dish = Dishwasher; Car = Carwasher
(a) = Not applicable.

Source: *The Effect of Employer Sanctions on the Flow of Undocumented Immigrants to the United States, The Urban Institute and The RAND Corp., p. 70, April 1990*

The report, released in April, looked at Border Patrol arrests, visa applications of countries from which large numbers of illegal aliens have entered the United States, and employment and wage trends in occupations that have used large numbers of undocumented workers. The data showed a less than 20 percent decline in the flow of undocumented immigrants resulting from employer sanctions over the past three years, according to the study, *The Effect of Employer Sanctions on the Flow of Undocumented Immigrants to the United States.*

"If the intent (of employer sanctions) was to generate a "large" decline in the flow, employer sanctions appear to have been unsuccessful and Congress may wish to weigh the cost of continuing the program against its current level of effectiveness," study's authors conclude. "If, however, the sanctions were designed to curb the rate of increase in the flow, the sanctions have probably been successful and Congress may wish to continue with the current law at current levels of enforcement."

The report points out that while border arrests, a barometer of illegal immigration, dropped sharply in fiscal year (FY) 1987, in FY 1988 the "downward trend in illegal flows appeared to reverse itself." And a major drop-off in arrests — 500,000 — in FY 1989 can be attributed to the 3 million aliens who took advantage of the IRCA's amnesty program.

The study also looked at applications for immigrant visas and political asylum, as well as business and tourists visas, on the theory that if IRCA is working then immigrant visas would increase while temporary visas — a traditional source of illegal immigration — would decline. The report found an increase in waiting lists for immigrant visas in half of 16 countries that are regular sources of illegal immigration, indicating "legal immigration has become relatively more attractive since the law's passage." Also, the number of tourist and business visas declined in five of the 16 countries.

Finally, the study analyzed labor markets where undocumented workers tend to flock and says it did not find any changes in wages and employee demand in occupations primarily filled by undocumented workers, such as dishwashers or carwashers (see Table 1). "Any precipitous decline in the supply of undocumented labor should have shown up in higher-than-average increases in wage rates .... In neither case was this true," the report says.

(Continued on page 15)

No Major Labor Shortages in State, DES Survey Concludes

There was "no major labor shortage" caused by the Immigration Reform and Control Act of 1986 (IRCA) — that's the major conclusion of a 10-month survey conducted by the Department of Economic Security's Research Administration, and Employment and Training Administration. The study was conducted between October 1988 and September 1989 and was released in May.

More than 10,000 companies were surveyed from 36 Standard Industrial Classification (SIC) catagories, and more than 3,000 responded to a series of questions regarding possible labor shortages. Some of the questions were: Has the passage of IRCA resulted in your company experiencing a labor shortage? Do you expect a shortage within the next year due to IRCA? What methods do you use to recruit new workers? Do you want information on how DES can assist your company in finding workers?

The respondents were also asked to list occupations in which they believe shortages have occurred and record the corresponding severity (light, medium, or heavy).

Some of the findings of the survey include:

- 70 percent of reported labor shortages were in Maricopa and Pima counties.
- Occupations where respondents reported shortages most often were low-paying and required little experience and education (e.g. housekeeping cleaner, kitchen help, host/hostess).
- Respondents reported more than twice as many expected labor shortages (152) than they believe are presently occurring.
- Companies expecting a labor shortage had increased usage of DES Job Service by 25 percent.

DES is conducting until the end of September a follow-up survey on the same topic to determine if conditions have changed. Businesses that would like to participate in the survey can contact Anna Mendoza at 542-4029. Copies of the first survey are available by calling Research Administration at 542-3871.

(Continued from page 6)

didn't fill the forms out right. One guy didn't have it filled out right for his daughter."

But Weaver takes issue with that claim. "We don't issue NIFs on so-called technical violations. Almost all of our cases that are fine cases, there were illegal aliens employed," he says.

The key element of whether a NIF was issued when illegal aliens were not employed, Weaver says, was the effect of errors and whether failing to complete a form would promote the hiring of illegal aliens. Weaver adds, "Failing to complete the form we take more seriously" than some employers.

The restaurant association also complains that their industry, which makes up more than 50 percent of the NIFs issued in the Phoenix metropolitan area, is being selectively persecuted. "Of course, we're being singled out," Miedaner says.

Weaver counters, however, that a "majority of leads have been in the service industry") and restaurants have a history of employing a large number of the illegal aliens in this country.

Besides restaurants, landscaping and maintenance companies also had a large percentage of NIFs, Bergeron says. The largest NIF in the Phoenix District — $170,000 — involved three Las Vegas cab companies that hired illegal aliens and did not fill out I-9s, Bergeron says.

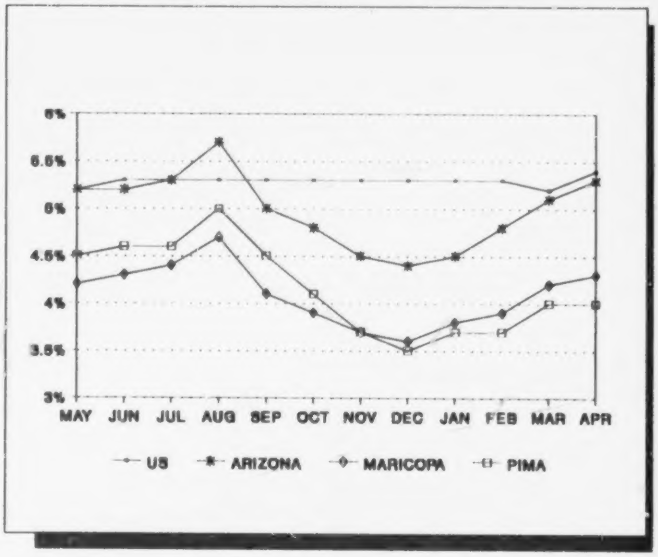
As a general rule, most of the NIFs are negotiated down from the original fine amount. "I find a disproportionate share of cases are settled out of court. Usually, the INS cuts (the fine) down and gives (businesses) time to make payments as a type of bargaining tool," says Joanna T. Stark, an immigration attorney and president of the Arizona chapter of the American Immigration Lawyers Association.

Bergeron and Kane admit that many NIFs are eventually settled at a lower amount, but the INS does not issue totals on how much the fines end up costing businesses. Bergeron does say, however, that 10 percent or less of all investigations in the INS Western Regional — which includes Arizona, California, Hawaii, Nevada, and Guam — end up with NIFs. Through last summer, of 4,800 investigations, 400 ended with NIFs, 700 ended

(Continued on page 15)

The Arizona Labor Force in April

Figure 1. U.S., Arizona, and Maricopa and Pima counties' Unemployment Rates, May 1989-April 1990



Arizona's seasonally adjusted unemployment rate rose two tenths of a percentage point to 5.3 percent in April, marking the fourth consecutive monthly increase. The state's unemployment rate, however, still remained below April's national rate of 5.4 percent.

Contributing to the rising unemployment rate was an 1,100 gain in the ranks of the unemployed. Typically, April has been a month when the number of unemployed drops in Arizona.

Total wage and salary employment grew 2,700 in April, not a particularly strong gain, but better than experienced the previous two years. What is of greater significance is the gain since April 1989.

Arizona has created 46,700 jobs in the past year, an increase of 3.2 percent. Compared with the national growth rate of 2.2 percent, the state continues to create wage and salary positions at a robust and healthy pace.

April is a month of change; change in the seasons and change in the employment mix among Arizona's geographic areas. Spring is a time when the snowbirds fly north, taking with them the cash that supports many service and trade positions in the metropolitan counties. It is a time when the conventioneers' season comes to a close, leaving behind vacant hotel rooms and empty dining tables.

Spring is also a time when activity at the state's higher elevations increases. Northern counties and, in particular, Coconino and Yavapai counties, experienced strong wage and salary employment gains in April. Some of these additions can be attributed to tourism-related industries that exhibit annual seasonality, such as trade and services.

And robust growth has been a continuing occurrence for northern Arizona. The rate of job creation in the northern counties since April 1989 in all industries — with the exception of mining; and transportation, communications and public utilities (TCPU) — has outpaced that of the nation, Arizona, and the metropolitan counties.

For the state as a whole, April proved to be a rather uneventful month in the major industrial sectors. The only industry that had sizable employment gains was transportation, communications, and public utilities (TCPU). Manufacturing and mining were stagnant for the month.

Industries that had gains in April, but smaller than normal for past years, were: construction; finance, insurance, and real estate (FIRE); services; and government. Finally, trade lost employment in April.

Overall, manufacturing showed no change in employment in April, continuing the industry's lackluster performance of recent years. A gain of 200 in durable goods was offset by a similar loss in nondurable goods. In durable goods, aircraft and missiles gained 300 positions, 100 greater than seasonally normal. In nondurable goods, food and kindred products increased 100 when normally there is no change that month.

National and state surveys, however, indicate there may be some reason for optimism about Arizona's manufacturing sector. The purchasing managers index (national) rose in April for the first time in 11 months, and a recent survey of purchasing managers in Arizona showed some positive trends.

While past April gains have averaged 1,400 in construction, only 500 jobs were created this April. Pima County gained 300, with the nonmetropolitan counties accounting for the remaining 200. The large excess supply of buildings, coupled with no evidence of favorable interest rate swings on the horizon, guarantees a continued slump in construction.

TCPU was the bright spot in Arizona's economy this April, producing 600 jobs. Job gains were split equally between transportation, and communications and public utilities. Over the year, transportation has created 4,400 positions, growing at a fast-paced 11.0 percent. Most of these positions can be credited to airline expansion.

(Continued on page 14)

Arizona Labor F

April 199

	ARIZONA				
				Amount	Change
	Apr.* 1990	Mar. 1990	Apr. 1989	Mar. - Apr.	1989 - 1990
TOTAL CIVILIAN LABOR FORCE**	1714.6	1697.1	1715.0	+17.5	-0.4
Total Unemployment	86.9	85.8	90.7	+1.1	-3.8
Rate	5.1	5.1	5.3	—	—
Rate (Sea. Adj.)***	5.3	5.1	5.5	—	—
Total Employment	1627.7	1611.3	1624.3	+16.4	+3.4

Note: **Above Labor Force Statistics Should Not Be Used for Economic Assistance Programs**

NONAGRICULTURAL WAGE AND S

	Apr.* 1990	Mar. 1990	Apr. 1989	Mar. - Apr.	1989 - 1990
TOTAL WAGE AND SALARY	1508.9	1506.2	1462.2	+2.7	+46.7
Manufacturing	187.5	187.5	187.8	+0.0	-0.3
Durable Goods	142.1	141.9	142.8	+0.2	-0.7
Stone, Clay, and Glass	7.4	7.4	7.1	+0.0	+0.3
Primary and Fabricated Metals	15.6	15.7	15.2	-0.1	+0.4
Primary Metals	7.7	7.8	7.6	-0.1	+0.1
Fabricated Metals	7.9	7.9	7.6	+0.0	+0.3
Machinery	58.8	58.9	61.5	-0.1	-2.7
Other Durable Goods	60.3	59.9	59.0	+0.4	+1.3
Aircraft and Missiles	26.9	26.6	26.4	+0.3	+0.5
Lumber and Wood Products (Excluding Furniture)	7.6	7.6	7.3	+0.0	+0.3
Nondurable Goods	45.4	45.6	45.0	-0.2	+0.4
Food and Kindred Products	9.8	9.7	9.0	+0.1	+0.8
Printing and Publishing	16.8	16.8	16.9	+0.0	-0.1
Mining and Quarrying	12.7	12.7	12.1	+0.0	+0.6
Copper Mining	9.7	9.7	9.3	+0.0	+0.4
Construction	81.8	81.3	84.7	+0.5	-2.9
Trans., Communications, & Public Utilities	80.7	80.1	76.2	+0.6	+4.5
Transportation	44.4	44.1	40.0	+0.3	+4.4
Communications and Public Utilities	36.3	36.0	36.2	+0.3	+0.1
Trade	377.0	377.2	363.9	-0.2	+13.1
Wholesale Trade	78.4	78.5	74.2	-0.1	+4.2
Retail Trade	298.6	298.7	289.7	-0.1	+8.9
General Merchandise and Apparel	45.0	45.3	43.7	-0.3	+1.3
Food Stores	48.9	49.2	48.2	-0.3	+0.7
Automotive and Service Stations	35.6	35.3	35.1	+0.3	+0.5
Eating and Drinking Places	107.7	107.5	104.1	+0.2	+3.6
Finance, Insurance, and Real Estate	94.2	94.1	92.2	+0.1	+2.0
Services and Miscellaneous	410.2	408.6	388.8	+1.6	+21.4
Hotels and Lodging Places	46.6	46.4	43.6	+0.2	+3.0
Business Services	75.8	75.8	73.4	+0.0	+2.4
Health Services	100.6	100.3	95.8	+0.3	+4.8
Government	264.8	264.7	256.5	+0.1	+8.3
Federal	46.3	46.0	44.7	+0.3	+1.6

* Preliminary

** Labor force, unemployment, and employment are reported by place of residence.

*** Normal seasonal variations have been eliminated to reflect underlying economic trends.

**** Business Services undergoes a series break between December 1987 and January 1988 as a result of the 1987 SIC realignme

rce and Employment

(in thousands)

MARICOPA COUNTY					PIMA COUNTY				
			Amount	Change				Amount	Change
Apr.* 1990	Mar. 1990	Apr. 1989	Mar. - Apr.	1989 - 1990	Apr.* 1990	Mar. 1990	Apr. 1989	Mar. - Apr.	1989 - 1990
1063.2	1051.4	1065.6	+11.8	-2.4	314.1	308.0	319.8	+6.1	-5.7
43.9	44.3	46.4	-0.4	-2.5	12.4	12.2	14.8	+0.2	-2.4
4.1	4.2	4.4	—	—	3.9	4.0	4.6	—	—
4.3	4.2	4.5	—	—	4.1	4.0	4.8	—	—
1019.3	1007.1	1019.2	+12.2	+0.1	301.7	295.8	305.0	+5.9	-3.3

ARY EMPLOYMENT BY PLACE OF WORK

MARICOPA COUNTY					PIMA COUNTY				
994.1	992.9	965.2	+1.2	+28.9	257.6	256.4	252.4	+1.2	+5.2
139.4	139.3	139.0	+0.1	+0.4	26.7	26.7	28.6	+0.0	-1.9
107.0	106.6	106.5	+0.4	+0.5	21.2	21.2	23.1	+0.0	-1.9
4.5	4.5	4.3	+0.0	+0.2					
10.6	10.7	10.4	-0.1	+0.2					
48.6	48.6	50.1	+0.0	-1.5					
43.3	42.8	41.7	+0.5	1.6					
32.4	32.7	32.5	-0.3	-0.1	5.5	5.5	5.5	+0.0	+0.0
6.7	6.6	6.1	+0.1	+0.6					
12.1	12.2	12.2	-0.1	-0.1					
1.0	1.0	0.9	+0.0	+0.1	2.2	2.2	2.2	+0.0	+0.0
54.1	54.1	57.3	+0.0	-3.2	14.6	14.3	14.9	+0.3	-0.3
56.4	55.9	52.8	+0.5	+3.6	9.6	9.5	9.5	+0.1	+0.1
33.4	33.2	29.7	+0.2	+3.7	4.9	4.8	4.8	+0.1	+0.1
23.0	22.7	23.1	+0.3	-0.1	4.7	4.7	4.7	+0.0	+0.0
253.8	254.3	246.3	-0.5	+7.5	60.0	59.7	58.1	+0.3	+1.9
62.3	62.1	59.1	+0.2	+3.2	7.9	7.8	7.6	+0.1	+0.3
191.5	192.2	187.2	-0.7	+4.3	52.1	51.9	50.5	+0.2	+1.6
28.1	28.3	27.7	-0.2	+0.4	6.8	6.8	7.1	+0.0	-0.3
31.3	31.6	30.8	-0.3	+0.5	7.9	8.0	8.1	-0.1	-0.2
22.7	22.4	22.3	+0.3	+0.4	5.7	5.6	5.7	+0.1	+0.0
68.8	69.1	66.8	-0.3	+2.0	20.1	20.0	19.4	+0.1	+0.7
75.8	75.7	74.0	+0.1	+1.8	11.4	11.3	11.4	+0.1	+0.0
277.5	277.0	263.6	+0.5	+13.9	75.6	75.0	71.7	+0.6	+3.9
29.2	29.4	26.9	-0.2	+2.3	7.1	7.1	6.8	+0.0	+0.3
60.9	61.0	59.8	-0.1	+1.1	10.3	10.1	9.7	+0.2	+0.6
65.1	65.0	62.3	+0.1	+2.8	21.9	21.7	20.9	+0.2	+1.0
136.1	135.6	131.3	+0.5	+4.8	57.5	57.7	56.0	-0.2	+1.5

NOTE: Prepared by Arizona Dept. of Economic Security , Research Administration, in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics.

Nonmetropolitan Counties
Labor Force and Employment
April 1990

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
CIVILIAN LABOR FORCE*	14,800	36,000	45,450	12,700	7,925	2,850	6,050
Total Unemployment	2,050	2,325	2,675	1,275	575	225	350
Rate	13.9%	6.5%	5.9%	10.0%	7.3%	7.9%	5.8%
Rate (Seas. Adj.)**	16.5%	6.4%	7.2%	10.3%	7.4%	7.9%	6.7%
Total Employment	12,750	33,675	42,775	11,425	7,350	2,625	5,700

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS

TOTAL WAGE AND SALARY	15,700	26,600	43,200	11,200	5,100	2,850	3,925
Manufacturing	925	1,225	3,325	1,425	225	25	250
Mining & Quarrying	50	175	300	1,325	0	1,675	75
Construction	575	700	1,775	350	175	100	200
T.C.P.U.	2,150	1,825	3,250	425	175	50	125
Trade	1,875	5,850	9,800	2,575	1,375	225	1,250
F.I.R.E.	450	675	700	300	125	25	100
Services & Misc.	4,625	5,000	11,300	2,100	875	125	1,025
Government	5,050	11,150	12,750	2,700	2,150	625	900

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	36,125	28,075	38,950	11,925	39,725	56,750
Total Unemployment	2,050	2,775	2,800	1,150	1,800	10,550
Rate	5.7%	9.9%	7.2%	9.6%	4.5%	18.6%
Rate (Seas. Adj.)**	6.0%	11.2%	7.5%	13.3%	4.6%	18.0%
Total Employment	34,075	25,300	36,150	10,775	37,925	46,200

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS

TOTAL WAGE AND SALARY	26,100	22,325	30,250	11,625	28,200	29,525
Manufacturing	2,525	1,900	3,875	1,150	2,225	2,325
Mining & Quarrying	25	1,200	3,700	0	825	75
Construction	3,200	1,275	650	375	2,400	1,400
T.C.P.U.	1,150	1,650	1,075	750	1,050	1,025
Trade	8,200	4,300	6,100	5,175	7,650	8,800
F.I.R.E.	1,200	425	850	300	950	950
Services & Misc.	6,150	5,400	4,625	1,975	7,100	6,875
Government	3,650	6,175	9,375	1,900	6,000	8,075

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities

F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Estimated Hours and Earnings of Production Workers in Selected Industries
Arizona

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Apr.* 1990	Mar. 1990	Apr. 1989	Apr.* 1990	Mar. 1990	Apr. 1989	Apr.* 1990	Mar. 1990	Apr. 1989
Manufacturing	407.63	420.02	403.27	40.3	41.3	40.9	10.11	10.17	9.86
Aircraft & Missiles	613.36	647.34	604.12	44.0	45.3	44.0	13.94	14.29	13.73
Food & Kindred Prod.	337.33	330.33	340.09	39.5	39.0	40.2	8.54	8.47	8.46
Primary Metals	463.55	497.36	499.87	36.3	38.2	38.6	12.77	13.02	12.95
Machinery	372.10	385.33	393.20	38.4	39.4	40.0	9.69	9.78	9.83
Copper Mining	594.51	589.25	544.00	44.3	43.2	42.7	13.42	13.64	12.74
Construction	430.70	437.92	430.52	36.5	36.8	36.3	11.80	11.90	11.86
Utilities	777.42	743.48	695.97	44.5	43.1	41.6	17.47	17.25	16.73
Retail Trade**	257.73	259.58	254.64	33.0	32.9	33.2	7.81	7.89	7.67
Wholesale Trade	382.14	372.66	372.27	38.6	38.3	38.9	9.90	9.73	9.57

Estimated Hours and Earnings of Production Workers in Selected Industries
Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Apr.* 1990	Mar. 1990	Apr. 1989	Apr.* 1990	Mar. 1990	Apr. 1989	Apr.* 1990	Mar. 1990	Apr. 1989
Manufacturing	427.76	444.94	425.58	40.7	41.7	41.0	10.51	10.67	10.38
Construction	451.28	453.73	447.60	36.6	37.1	36.9	12.33	12.23	12.13
Retail Trade**	270.54	270.21	269.62	33.4	33.4	34.0	8.10	8.09	7.93
Wholesale Trade	402.09	388.24	394.21	39.0	38.1	39.5	10.31	10.19	9.98

Estimated Hours and Earnings of Production Workers in Selected Industries
Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Apr.* 1990	Mar. 1990	Apr. 1989	Apr.* 1990	Mar. 1990	Apr. 1989	Apr.* 1990	Mar. 1990	Apr. 1989
Manufacturing	343.79	348.80	371.33	35.7	36.6	38.6	9.63	9.53	9.62
Construction	380.88	371.47	397.67	36.0	36.1	37.2	10.58	10.29	10.69
Utilities	593.43	581.15	584.32	39.3	39.4	41.5	15.10	14.75	14.08

* Preliminary.

** Excludes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs
April 1990

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,714,584	1,627,688	86,896	5.1%
Apache	14,808	12,749	2,059	13.9
Cochise	35,977	33,664	2,313	6.4
Coconino	45,435	42,767	2,668	5.9
Gila	12,698	11,421	1,277	10.1
Graham	7,910	7,342	568	7.2
Greenlee	2,848	2,630	218	7.7
La Paz	6,067	5,706	361	6.0
Maricopa	1,063,208	1,019,322	43,886	4.1
Mohave	36,124	34,072	2,052	5.7
Navajo	28,077	25,304	2,773	9.9
Pima	314,081	301,660	12,421	4.0
Pinal	38,960	36,155	2,805	7.2
Santa Cruz	11,927	10,778	1,149	9.6
Yavapai	39,724	37,924	1,800	4.5
Yuma	56,742	46,195	10,547	18.6

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

The Arizona Labor Force in April

(Continued from page 9)

Employment in trade decreased by 200 in a month in which gains of 1,000 are normal. With the exception of the automotive trade and eating and drinking places, which had normal increases of 300 and 200, respectively, all subindustries had declines in employment. Wholesale trade dropped 100, department stores slid 300, and food stores shrunk 300. It is worth noting that it appears the grocery store wars continued with chains paring personnel in attempts to attain low-cost leadership.

FIRE gained 100 of its normal increase of 500 jobs in April. There has been talk of a possible fire sale by the Resolution Trust Corp., which may boost employment in the short term, but at the expense of many property holders that have seen their home and building values plummet.

Services gained 1,600 in April, half of its normal April gain. Hotels increased 200, health services jumped 300, and business services remained at previous levels. Although the April figures seem bothersome, services has created 21,400 jobs since April 1989, or 1,900 less than the eight-year running average.

Government added 100 in April, 500 under normal growth. Federal government increased 300, including some of the expected census workers.

In review, April was uneventful at best. TCPU experienced healthy employment gains, but trade and services had a second month of weakness. Perhaps services is at last feeling the ripple effect of the long-term weakness in construction and a flat manufacturing sector.

—Marc A. Marra,
RA Economist

INS Enforcement in State Appears to Follow Regional Pattern

(Continued from page 8)

with warning notices and 3,600 ended in compliance.

One area where Arizona appears to have done surprisingly well in terms of employer sanctions is in the area of discrimination, according to recent statistics, as well as several officials and two immigration attorneys.

As the GAO report, *Employer Sanctions and the Question of Discrimination*, points out, due to the threat of sanctions for hiring illegal aliens, many employers began a pattern of discrimination against foreign-looking or foreign-sounding aliens and U.S. citizens and in areas where there was a higher percentage of Hispanics and Asians (See "Reports Give ...," page 2).

> ***"We have not seen widespread discrimination or we certainly would have filed appropriate discrimination lawsuits."***
>
> ***—Zada Edgar-Soto,***
> ***Chair, Immigration Section,***
> ***State Bar of Arizona***

While through mid-June of this year Arizona had the seventh highest number of complaints (18) to the Office of Special Counsel (OSC), it was far below the top states — California (404), Texas (135), New York (91), Illinois (91) — and was a reasonable total considering that Hispanics — primarily the groups discriminated against because of IRCA — make up more than 16 percent of the state's population.

Stark and Zada Edgar-Soto, chair of the Immigration Section of the State Bar of Arizona, say they have not heard of many problems regarding discrimination in the state due to employer sanctions. "We have not seen widespread discrimination or we certainly would have filed appropriate discrimination lawsuits," Edgar-Soto says.

Meanwhile, Kane and Weaver also say they are aware of only a couple of cases of alleged discrimination relating to IRCA. "We haven't heard about it from businesses or reports,") Kane says.

Stark says, however, she has noticed one area where there may be some "inadvertent" discrimination occurring by companies advertising in newspapers that applicants be U.S. citizens. As a general rule, immigration officials say that the only jobs that employers can discriminate by citizenship is those involving security risks, such as jobs involving the Defense Department.

In addition, a Border Patrol agent in Tucson, Herb Routebush, says there may be instances where businesses are discriminating by not applying the same hiring standards to all applicants regarding the immigration law. An example, Routebush says, would be where employers require some individuals — usually someone who looks or sounds foreign — to show identification or fill out I-9s before being hired and not others.

Finally, the fact that officials in Arizona are not aware of a major problem of discrimination due to IRCA, doesn't mean it's not occurring, says Stark. One problem with determining if there is discrimination, she says, is that many aliens "are not feisty enough to file lawsuits. They're so used to being discriminated against."

1. Job Bank Wages, 1986, 1987, 1988, and 1989, Arizona Department of Economic Security, Research Administration.

—Brent Fine
Arizona LMI Newsletter Editor

Sanctions Partially Effective in Limiting Illegal Immigration, Study Shows

(Continued from page 7)

The RAND/ Urban Institute report was released as Congress debates ending or modifying employer sanctions, which the General Accounting Office says have caused extensive discrimination against U.S. citizens and legal residents who, based on their looks, employers believe are from foreign countries.

The results of the RAND/Urban Institute report differs dramatically from an Urban Institute report released last July that said sanctions have had a major effect on stemming the tide of undocumented workers.

Some of the information used in this article was taken from Immigration Policy & Law, *a bi-weekly newsletter on immigration events in government, courts and the workplace. The newsletter is published by* ***Buraff Publications*** *©1990.*

Business Productivity Dropped in First Quarter, BLS Reports

Following are brief summaries of news stories compiled from a variety of sources relating to labor issues affecting the nation and Arizona.

Productivity for the first quarter of 1989, as measured by output per hour of all persons, showed declines in the business sector, the first quarterly decline since an identical reduction occurred in the second quarter of 1988. In the fourth quarter of 1989, business productivity had increased 0.4 percent.

The Department of Labor's Bureau of Labor Statistics (BLS) reported in early June the seasonally adjusted annual rates of productivity were: business sector, -2.1 percent; nonfarm business sector, -2.7 percent; manufacturing, +4.9 percent; durable goods manufacturing, +4.6 percent; and nondurable goods manufacturing, +5.5 percent.

For business and nonfarm business, the revised productivity and output measures showed greater declines than had been reported on May 7, based on preliminary information available that time. On the other hand, productivity grew more rapidly in manufacturing than had previously been reported. The revisions mainly reflect changes in measures of output growth during the first three months of 1990.

Productivity measures used by BLS, which describe the relationship between real output and the labor time involved in its production, show the changes from period to period in the amount of goods and services produced per hour. Although these measures relate output to hours at work of all persons engaged in a sector, they do not measure the specific contribution of labor, capital, or any other factor of production. Rather, they reflect the joint effects of many influences, including changes in technology; capital investment; level of output; utilization of capacity, energy, and materials; the organization of production; managerial skills; and the characteristics and effort of the work force.

Program Aids Displaced Construction Workers

North Dakota is nearing completion of an experimental program to retrain 500 dislocated construction and building-trade workers. Job Service North Dakota, which received a $750,000 grant from the U.S. Department of Labor, worked with the state AFL-CIO in administering the program, which involved contracting with providers, registering participants and keeping records of program activity. The North Dakota program includes: short-term (one to three weeks) skill training, intensive skill updating (e.g., welding), and long-term (six weeks to 2 years) classroom or on-the-job retraining for a new company. Like Arizona, North Dakota's construction industry has been in a recession, forcing workers with years of experience in one occupation to adapt to a shifting economy.

NEWS IN BRIEF

Workers 'Do' About $7 a Week on Lunch

The amount an average wage earner spends on lunches out of the office is determined by a worker's wallet size, not belt size, according to an article in the May issue of *American Demographics* magazine. Using data compiled from the BLS Consumer Expenditure Survey, the magazine says the typical wage earner spends $6.79 a week ($338 a year) on lunches away from the home, while the average for workers with $50,000-plus incomes is $8.48 a week ($441 a year). Higher income also increases the frequency of eating out, the magazine reports.

Prescott Rated One of Best Places in West

The May issue of *American Demographics* also has a list of the 40 top-rated "micropolitan areas" in the country from the recently published book, "The Rating Guide to Life in America's Small Cities." A micropolitan area is a city with a least 15,000 people in counties with population of 40,000 that are not part of a metropolitan area.

Prescott was the only Arizona city to be rated in the top 40 of 219 micropolitan areas, ranking 10th in the West region. Other regions included Northeast, Midwest, and South. Cities were scored higher for their proximity to regional shopping, sports, and art facilities, as well as newer housing, educational opportunities, economy, diversions, and public safety. San Luis Obispo-Atascadero, Calif, was rated highest in the West and the entire country.

Top 'Micro' Areas In West

Rank	Areas
1	San Luis Obispo-Atascadero, Calif
2	Corvallis, Ore.
3	Fairbanks, Alaska
4	Wenatchee, Wash.
5	Port Angeles, Wash.
6	Aberdeen, Wash.
7	Longview, Wash.
8	Carson City, Nev.
9	Pullman, Wash.
10	Prescott, Ariz.

In 1989, the author of the book, G. Scott Thomas, who coined the term micropolitan area, listed several Arizona cities tops among other micropolitan areas in categories such as population growth (Bullhead City-Lake Havasu City, 2nd), older population (Prescott, 2nd; Bullhead City-Lake Havasu City, 4th), younger population (Flagstaff, 8th), and "most educated."(Flagstaff, 11th).

"The Rating Guide to Life in America's Small Cities" is published by Promtheus Books in Buffalo, N.Y.

New Developments

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the Arizona LMI Newsletter is not responsible for incorrect information reported by these sources.

MANUFACTURING — A California maker of hoists for pickup trucks has decided to pick up and move its plant from Van Nuys (a suburb of Los Angeles) to Phoenix. About 15 jobs will be created by the move of **Uni-Hoist International Inc.** to a building at 2012 W. Lone Cactus, where the company plans to invest $200,000 for equipment and development of products.

Birmingham Steel Corp. has announced plans to build a "mini steel mill" 50 miles west of Phoenix near the Palo Verde nuclear generating plant. The $100 million facility is expected to employ around 300 people and pay an average salary of $32,000. Birmingham runs only non-union steel mills. Some opposition to the steel plant has arisen because of low utility rates offered by Arizona Public Service Co. to lure the Alabama-based company.

SERVICES — The opening of three new casinos and the expansion of another is expected to bring an estimated **12,000 jobs to Laughlin, Nev.,** this year — more than doubling the current work force — reports a Chamber of Commerce publication in Bullhead City, which lies across the Colorado River from the booming resort. The opening of the Flamingo Hilton, Emerald River Resort, and the Paradise Bay Hotel and Casino, along with the expansion of Sam's Town will more than double the current estimated work force of 10,000 (which primarily lives in Bullhead City), the publication says. But there's more. Several existing resorts plan to expand in 1991 and 1992, and five new resorts are in the planning stages, the newsletter reports.

Scottsdale-based **Kroy Inc.**, which designs, manufactures and sells lettering and labeling equipment, has filed for bankruptcy as part of a plan to reorganize and pay off debts. No information is available on how the bankruptcy filing will affect employment.

TRADE — **Smith's Food and Drug Center** has finalized plans for a 1 million-square-foot distribution center and regional office in **Tolleson**, on 180 acres near 99th Avenue and Buckeye Road. Smith's, which is based in Salt Lake City, expects the $70 million facility to create 500 to 600 jobs when it opens in September 1991. No construction schedule has been set for the distribution center, which will service Smith's grocery stores in Arizona, California, New Mexico, and Texas. Meanwhile, in a related item Smith's has set October for opening of a **76,000-square-foot store in Yuma**, at 24th Street and 4th Avenue, that will employ about 200. Applications for work will be accepted about 45 days before the store opens.

While Smith's is looking to the future, Phoenix' largest supermarket chain isn't sitting idly by as **Smitty's Super Value Inc.** plans to spend **$20 million for renovation and expansion** of Smitty's grocery stores in Phoenix and Tucson. Smitty's, which was up for sale when the grocery wars began in the Phoenix area last November, is no longer up for grabs and 17 of the chain's stores will now be remodeled, and four new locations are planned — two in Phoenix and two in Tucson — by the end of the year. The Tucson stores will be the first for Smitty's outside of the Valley, and other locations in the state are being explored.

Fiesta Mall in Mesa is trying to land a high-end retailer, such as a Nordstrom, Macy's or Saks Fifth Avenue, for an addition to the mall that will also include an added 60,000 square feet of retail space and a parking deck.

Four former employees have bought **19 Carl's Jr. Restaurant** franchises as part of a restructuring effort by the fast-food chain. Nine of the company-owned stores in Arizona have closed, but the Anaheim, Calif.-based company expects to have 37 stores in Arizona when it completes the reorganization.

Undersea World of America, an Australian-owned company, will open a $10 million aquarium as part of the **Scottsdale Galleria**, a $115 million shopping center being constructed at Fifth Avenue and Scottsdale Road in Scottsdale. The aquarium will feature a 1 million gallon tank with more than 100 varieties of fish. The Galleria, expected to open next March, will have retail shops, restaurants and a cinema complex.

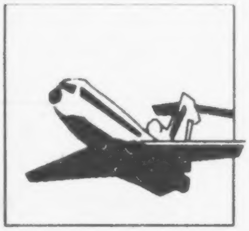
Saba's Western plans to add three more stores — two in the

(Continued on page 18)

(Continued from page 17)

Valley and one in northern Arizona — to the eight locations it has in the state. Saba's features western wear for men, women, and children.

The former owner of a chain of movie theaters in the Valley, Bill Blair, has opened the first of a planned eight to 10 yogurt stores in Arizona, called **TCBY — The Country's Best Yogurt**. Blair's first store, at 32nd Street and Camelback Road, opened June 1 and the TCBY franchisee plans to open another in Phoenix and one in Prescott by the end of the month.

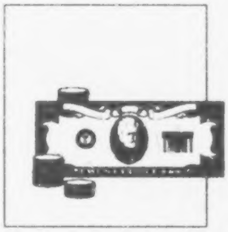


TRANSPORTATION, COMMUNICATIONS AND PUBLIC UTILITIES — Phoenix was selected over several western U.S. cites for the regional headquarters of **Metagram America Inc.**, which sells message pagers. As many as 700 people may eventually be employed at the company's 29,000-square-foot office at the Point South Mountain Corporate Center, 8222 S. 48th St. Employees — primarily in sales and customer-service jobs — were expected to begin work in mid-June. Metagram America is a division of Millicom Inc. of New York City, an international communications company that provides a digital-page service to 43,000 customers.

Continental Airlines is considering Tucson and Phoenix, among 13 cities, for an aircraft maintenance center and engine-overall facility that could employ up to 5,000 people and have annual payroll of $185 million. Continental would need about 200 acres for the facilities, which would accommodate planes as large as Boeing 747s and be ready for occupancy by 1993. Tucson may have an edge in the bidding because several large aircraft rehabilitation centers are located in the Old Pueblo.

After agreeing to become a commuter airline for USAir starting July 15, Phoenix-based **StatesWest Airlines** announced plans to buy 18 Beech 1900 aircraft and increase employment by 1,000 over the next 18 months. StatesWest, which will spend $130 million on expansion, will shuttle Arizona and California passengers to USAir.

FINANCE, INSURANCE AND REAL ESTATE — **BankAmerica Corp.**, the third largest bank holding company in the nation, has acquired Western Savings and Loan Association, the state's largest thrift. BankAmerica, with assets of $98 billion, paid $81.2 million for the 60-year-old Western, which posted losses of $200 million in 1988 and $100 million in the first quarter of '89, before being taken over by the Resolution Trust Corp. BankAmerica says it's unsure how many of Western's 1,500 employees, almost all in Maricopa Country, will be retained.



American Express Travel Related Services plans to build its fifth building — four stories, 171,000 square feet — at a business park on 31st Avenue near Beardsley Road. American Express says it needs the additional room to consolidate its operations and allow for growth of its work force of 6,500 in the Phoenix metropolitan area. The company has added 500 to 600 employees a year the past four or five years.

CONSTRUCTION — The **Arizona Transportation Board** has awarded more than $36 million for 14 road projects in nine counties, including $23 million to Wheeler Construction Co. for the building of the second phase of the Agua Fria Freeway in Maricopa County. Among other winning bids are: Pulice Construction Inc. (Estrella Freeway, Maricopa County); Nielsons Inc. (I-40 resurfacing, Apache County); The Tanner Companies (I-40 resurfacing, Navajo County); JWJ Contracting Co. (I-40 bridge, Coconino County); C.S. McCrossan Inc. (U.S. 666 resurfacing, Greenelee County); and Nesbitt Contracting Co. Inc. (S.R. 260 bridge widening, Gila County).

Construction is under way on **Wal-Mart** and **Albertson's** stores at 83rd and Peoria avenues on land that was recently purchased by **Genevieve Holdings of Arizona Limited**. The Wal-Mart will have 110,000 square feet of space, while the Albertson's will have nearly 63,000 square feet. The project is scheduled to be completed by mid-November.

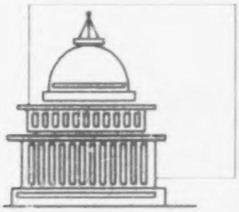
Thirteen auto-emission test sites are under construction on one- and two-acre locations in Pima and Maricopa counties. The sites, which will cost $12 million, will be run by Gordon Darby Inc. of Louisville, Ky., and are expected to be completed by October. Gordon Darby won a contract to do auto-emission testing for the state, beating out previous contractor, Hamilton Test Systems of Tucson.

Grossman Co. Properties has announced it will build a regional shopping mall and power center on a 128-acre site in Tempe, at Priest Drive and the Superstition Freeway. The building of the 300,000- to 400,000-square-foot power center and 700,000- to 1-million-square-foot mall was contingent on an agreement by Grossman to provide infrastructure im-

(Continued on page 19)

(Continued from page 18)

provements in exchange for a $15 million reimbursement by the city of Tempe. The power center is scheduled to open in 1991, followed four years later by the mall.



GOVERNMENT — The Defense Department has no immediate plans to cut back operations at **Davis-Monthan Air Force Base** in Tucson, but the U.S. military probably will streamline operations there down the line, Tucson and other Arizona officials have disclosed. Davis-Monthan, which employes 7,600 people and contributes nearly $700 million to the Tucson economy, was recently mentioned as a back-up site to be dismantled as part of the Pentagon's efforts to cut costs. The base was mentioned as a target because its primary function revolves around the A-10 anti-tank jets, which are being phased out. Officials have suggested other uses for the base, such as desert training and involvement in the war on drugs.

MISCELLANEOUS — **Arizona** will have the **second-fastest growth in jobs** — behind Nevada — during the 1990s, according to the U.S. Commerce Department's Bureau of Economic Analysis. Employment is expected to increase in the Grand Canyon State 26.7 percent to 2.3 million by the end of the year 2,000; Nevada is projected to have job growth of 31.5 percent. Arizona's personal income is expected to grow 40.6 percent during this period.

By a slim majority, 366 to 332, employees at Scottsdale Memorial Hospital (SMH) have rejected a proposal to form a union. A plan to form a bargaining unit for all SMH employees came about when the hospital reduced employee benefits last year and the United Nurses Association of California requested to represent unhappy SMH workers.

In order to bring together economic development activities in Pima County, the **Tucson Economic Development Corp.** (TEDC) is ceasing operation July 1, and all business development efforts will be handled by the Greater Tucson Economic Council. In its 12-year existence, TEDC was responsible for attracting more than 100 companies that led to employment — directly or indirectly — of 22,000 people in Pima County. One of TEDC's recent plums was bringing an American Airlines' reservations center to Tucson.

The **U.S. Department of Labor** has assessed **fines of $55,000 to nine Phoenix-area employers** for alleged violations of the national child labor law. The fines, which stem from a March crackdown in Phoenix and Tucson, were primarily for employing 14- and 15-year-olds more than 18 hours in a five-day school week and for letting workers under 18 deliver products.

LMI Publications— Hot Off the Press

The following revised publications prepared by the Department of Economic Security (DES), Research Administration, can be ordered by writing to the address on the back of this newsletter or by calling (602) 542-3871. One copy of each publication will be sent at no charge. Multiple copies are available at a nominal charge. DES offices can order directly from DES Supply.

- 1990-91 edition of the *Annual Planning Information (API) Guide* (PAL-327) — Contains economic data projections for population and labor force, as well as poverty/welfare estimates for each county in the state. Data are also included on veterans, offenders, Unemployment Insurance recipients, and other groups, and is broken down by age, sex, race, and Hispanic ethnicity. The guide can be used for program planning and evaluation, resource allocation, job development, and vocational counseling.

- *1989 Employer Wage Survey* (PALs 331, 336, 338, 341) — Four separate publications covering small and large companies in Pima and Maricopa counties that list the hourly low, high, and average wage paid in various occupations. For these surveys, small employers are companies with 100 or fewer workers; large employers have 300 or more employees.

- *1989 Job Bank Wages* (PAL-379) — Occupations and respective hourly wages (low, average, high) that were offered in 1989 through the Department of Economic Security's Job Service. Data is organized by county and for selected cities and towns.

- *Affirmative Action Planning Information* (PAL 345-346) — Two annual publications covering metropolitan and rural areas that contain estimates of population and labor force characteristics by sex, race, and Hispanic ethnicity. This year's issue includes the addition of the 1987 federal EEO survey reports for Arizona, Phoenix, and Tucson.[1]

- *Occupational Forecasts* (PAL-363 to PAL-377A) — Annual publications for each county and the state that detail current and expected demand for more than 600 occupations. The 1990 editions included employment projections for 1990, 1991, and 1995, as well as total job opportunities (job growth plus replacements).

---

[1] Available Aug. 1, 1990

Arizona Labor Market Newsletter
LABOR MARKET INFORMATION PUBLICATIONS
Site Code 733A
P.O. Box 6123
Phoenix, Arizona 85005

POSTAGE & FEES PAID
EMPLOYMENT SECURITY MAIL
LAB 449
FIRST CLASS MAIL

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, $300

ADDRESS CORRECTION REQUESTED

If you do NOT desire to continue receiving this publication, please check here ☐ and retu

If your address has changed, please indicate change and return this cover to the address

This periodical is issued and printed by the Arizona Depa
authorized by the Wagner-Peyser Act and is paid out of fe
Department of Labor.

Reproduction of this publication for commercial use is prohibited by Section 39-121, Arizona Revised Statutes. Permission to reprint this publication, or parts of it, for nonprofit use may be granted upon written request, if credit will be given citing this publication and the Arizona Department of Economic Security.

S 4-2-1

ARIZONA LABOR MARKET INFORMATION NEWSLETTER

Vol. XIV No. 7
July 1990

Unemployment Rate

Seasonally Adjusted
May *

ARIZONA	–	5.9%
Maricopa Co.	–	4.7
Pima Co.	–	4.6
United States	–	5.3

Consumer Price Index

U.S. – May 1990
Base = 1982-84

Wage Earner/Clerical Worker	–	127.5
% Chg. Year Ago	–	4.1
All Urban	–	129.2
% Chg. Year Ago	–	4.4

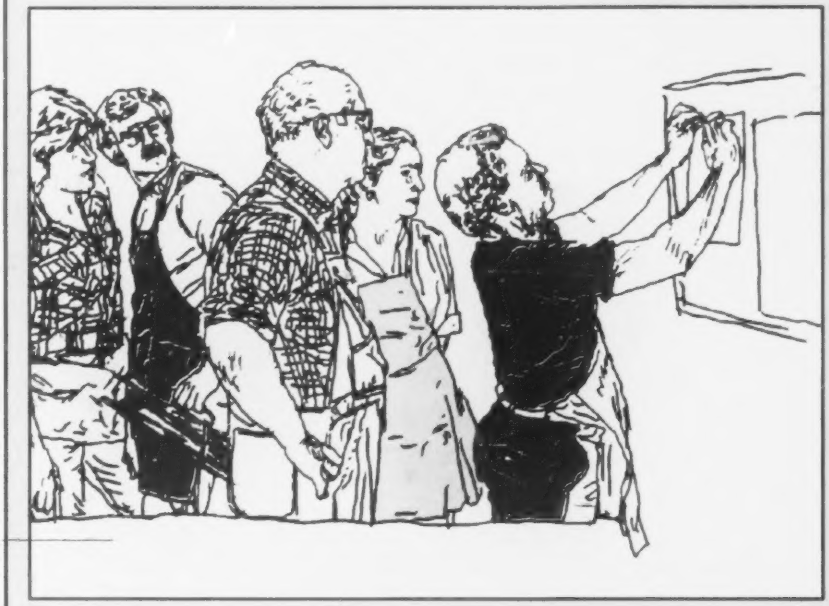
Phoenix – 2nd Qtr 1990
Base = 1982-84

All Urban	–	131.8
% Chg. Year Ago	–	4.7

Tucson – 2nd Qtr 1990
Base = 1982-84

All Urban	–	127.5
% Chg. Year Ago	–	1.8

* Preliminary



Tracking Mass Layoffs

BLS Program Compiles Data on Actions Affecting 50 or More Employees

Inside This Issue

Inside This Issue	Page
Mass-Layoff Actions Increase in U.S.	2
BLS Survey Details Employee Costs	5
Child Care Tops Arizona Labor Legislation	7
The Arizona Labor Force in May	9
Arizona Labor Force Statistics	10
News in Brief	15
New Developments	16
Occupational Outlook Handbook Released	19

DES Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency

Mass-Layoff Events in U.S. Increased 14% in '89

Manufacturing Hit Hardest, BLS Reports; Arizona Bucks Trend, Has 12% Drop

In 44 states that compiled data, mass layoffs in 1989 increased 14.2 percent over 1988, the U.S. Department of Labor's Bureau of Labor Statistics (BLS) reported in June. In Arizona, however, the number of mass layoffs last year declined 12 percent over '88, while the number of workers affected by mass layoffs declined 4.5 percent.

A total of 2,341 U.S. establishments reported 2,762 mass-layoff actions last year resulting in the separation of 572,143 workers, with 13 percent of the layoff events reflected in the closure of the establishment, BLS reported. Additionally, the number of separations rose by 22.9 percent over 1988, while the average number of separations per mass layoff was nearly 7 percent higher in '89 (207 workers) versus '88 (192 workers).

In Arizona, 53 establishments reported 67 mass-layoff actions last year involving 16,255 separations, compared to the prior year when 55 establishments reported 76 mass layoffs involving 17,197 separations. Also declining in '89 was the average number of separations per layoff, going from 243 in '88 to 226 last year.

The non-manufacturing sector was responsible for most of the mass layoffs (46.3 percent) in Arizona in 1989, versus manufacturing (28.3 percent) and agriculture (25.4 percent).

BLS data, collected as part of the Mass Layoff Statistics (MLS) program, cover layoffs of at least 31 days duration, involving 50 or more individuals who filed initial claims for unemployment insurance during a consecutive three-week period. The MLS program is a federal-state cooperative project that uses a standardized, automated approach to identifying, describing, and tracking the effect of major job cutbacks. (Additional information about the MLS program appears in the "Definitions" section.)

ARIZONA LMI NEWSLETTER
SITE CODE 733A
P.O. BOX 6123
PHOENIX, AZ 85005-6123
(602) 542-3871
Brent Fine, Editor
Linda Van Calcar, Word Processor

Industry Distribution of Layoffs

As in 1988, just more than half of U.S. mass layoffs last year were in manufacturing (table 1), and more than half of the manufacturing layoffs occurred in durable goods. Three out of 10 separated factory workers were from the transportation equipment and electrical machinery industries; in these two industries combined, about 15 percent of the workers separated were from industries identified as "defense-related."

Layoffs in non-durable goods continued to be heavily concentrated in the food processing and apparel industries.

In the U.S. non-manufacturing industries, layoffs continued to be concentrated primarily in construction, trade, and services, with layoffs down over-the-year in mining; and finance, insurance, and real estate (FIRE).

Compared with 1988, however, the largest increase in layoff activity was in transportation, communications and public utilities (TCPU), much of which stemmed from the secondary impacts of labor-management disputes in the airline and telephone communications industries. (Workers who are directly involved in a labor dispute are excluded from the mass-layoff statistics.)

The non-manufacturing sector was responsible for most of the mass layoffs (46.3 percent) in Arizona in 1989, versus manufacturing (28.3 percent) and agriculture (25.4 percent). This compares with a breakdown in '88 of 48.7 percent for non-manufacturing, 26.3 percent for manufacturing, and 25.0 percent for agriculture.

In both years, almost all of the mass-layoff events in Arizona's manufacturing industry occurred in the durable-goods sector (table 2), while non-manufacturing was led each year by two groups, services and trade. In both '88 and '89, however, services and TCPU accounted for the largest number of separations from mass layoffs. (Specific industry data in Arizona is limited because of confidentiality regulations guarding the privacy of business establishments.)

Reasons for Layoff

"Seasonal work" and "contract completion" accounted for

(Continued on page 3)

(Continued from page 2)

about two-fifths of both the U.S. layoff events and separations. These types of layoffs are generally anticipated. "Slack work" accounted for another quarter of the layoff events (and 18 percent of all workers separated).

Most seasonal layoffs were in the services industry and in food processing within manufacturing, and contract completion was reported primarily by construction companies. Slack work was cited most by manufacturing firms, especially electrical equipment, machinery, and transportation equipment.

In this state, seasonal work (37.3 percent) was the primary reason given for mass layoffs in '89, with four other categories — contract completion, slack work, "other reasons," and "not reported" — each accounting for 12 to 13 percent of the responses. The year before, employers did not report reasons for more than half of the 76 layoff actions, with seasonal work accounting for 21.1 percent of the events.

Size of Layoff

Thirty-six percent of the country's mass-layoff events in '89 involved fewer than 100 workers; 23 percent involved 100 to 149 workers; and 25 percent affected 150 to 299 workers. Only 16 percent of the layoffs involved 300 workers or more. The average number of separations per layoff event ranged from 401 in TCPU to 154 in construction. No data is available on the size breakdown of Arizona's mass layoffs.

Table 1. Industry Distribution of U.S. Mass-Layoff Events and Separations, 1989

Industry	Establishments	Layoff Events Total	Layoff Events New	Layoff Events Related to Prior Layoffs	Separations
Total, All Industries[1]	2,341	2,762	2,540	222	572,143
Agriculture	60	69	69	19,447	9,010
Nonagriculture	2,281	2,693	2,471	222	552,696
Manufacturing	1,217	1,416	1,309	107	269,596
Durable Goods	6807	977	37	60	159,972
Nondurable Goods	537	619	572	47	109,624
Nonmanufacturing	1,064	1,277	1,162	115	283,100
Mining	49	57	51	6	12,630
Construction	324	427	357	70	65,732
Transportation, Communications, and Public Utilities	150	169	160	9	67,797
Wholesale and Retail Trade	227	257	246	11	59,283
Wholesale Trade	63	75	74	1	13,874
Retail Trade	164	182	172	10	45,409
Finance, Insurance, and Real Estate	28	29	27	2	5,189
Services	227	256	243	13	53,450
Government	59	82	78	4	19,019

1. Forty-four of 50 states participated in the study in 1989

Source: U.S. Department of Labor, Bureau of Labor Statistics, June 1990

Characteristics of Claimants

In 1989, 443,082 initial claims for unemployment were filed due to mass layoffs in the 44 reporting states. Of these claimants, about 8 percent were Hispanic, 42 percent were women, and 13 percent were at least 55 years old. In the 38 states for which data on blacks were available (Arizona was not one), blacks comprised 16 percent of the group.

The racial breakdown of mass-layoff events in Arizona showed 33.8 percent of those filing claims for unemployment were of Hispanic origin, while 32.4 percent were American Indians. The high percentage of Indians — who make up only 5.6 percent of Arizona's population — was due to the seasonal nature of much of the Indian population's jobs. Other characteristics of those laid off were: 47.8 percent were women and 24.8 percent were persons age 55 and over.

(Continued on page 4)

Table 2. Industry Distribution of Arizona Mass-Layoff Events and Separations, 1988 and 1989

Industry	Establishments		Layoff Events						Separations	
			Total		New		Related to Prior Layoffs			
	'89	'88	'89	'88	'89	'88	'89	'88	'89	'88
Total, All Industries	53	55	67	76	66	74	1	2	16,254	17197
Agriculture	14	14	17	19	17	19	0	0	4,837	3,107
Nonagriculture	39	41	50	57	49	55	1	2	11,417	14,090
Manufacturing	17	16	19	20	18	19	1	1	2,464	3,537
Durable Goods	x	12	x	16	x	15	x	1	x	3,124
Nondurable Goods	x	4	x	4	x	4	x	0	x	413
Nonmanufacturing	22	25	31	37	31	36	0	1	8,953	10,553
Mining	0	x	0	x	0	x	0	x	0	x
Construction	x	4	x	7	x	7	x	0	x	1,010
Transportation, Communications, and Public Utilities	x	4	x	5	x	4	x	1	x	3,016
Wholesale and Retail Trade	7	8	7	11	7	11	0	0	1,600	1,310
Wholesale Trade	x	x	x	x	x	x	x	x	x	x
Retail Trade	x	x	x	x	x	x	x	x	x	x
Finance, Insurance, and Real Estate	x	x	x	x	x	x	x	x	x	x
Services	8	6	13	9	13	9	0	0	4,825	3,945
Government	x	x	x	x	x	x	x	x	x	x

x = Non-published due to U.S. Department of Labor, Bureau of Labor Statistics' disclosure rules

Source: *Arizona Department of Economic Security, Research Administration, June 1989 and April 1990*

(Continued from page 3)

Geographic Distribution

The nine states that had 100 or more layoff actions in '89 accounted for half of the total actions in the 44 reporting states. Pennsylvania, with 254 layoff events, led the states, followed in order by Illinois (190), Texas (185), Wisconsin (157), Minnesota (148), Alabama (121), Florida (115), New York (102), and Georgia (100). States not participating in the study were California, Maryland, Michigan, North Dakota, Ohio, Oregon, and Wyoming.

Arizona's 67 layoff events last year ranked the state 17th in number of actions, but Arizona had the 14th highest number of separations. In 1988, among 42 states that collected data, Arizona had the 10th highest number of layoff actions and was sixth in terms of number of separations.

Definitions:

Establishment — A unit at a single physical location where predominantly one type of economic activity is conducted.

Initial claimant — A person who files any notice of unemployment to initiate a request either for a determination of entitlement to and eligibility for compensation, or for a subsequent period of unemployment within a benefit year or period of eligibility.

Layoff — The separation of persons from an employer as part of a mass layoff event. Such layoffs involve both persons subject to recall and those who are terminated by the establishment. (Information is not available on the breakdown between those who are recalled and those who do not return to their old jobs.)

Note: Arizona data on mass-layoff events for the first half of 1990 will be published in the August issue of the Arizona LMI Newsletter.

—U.S. Department of Labor,
Bureau of Labor Statistics,
and DES, Research Administration

Employee Compensation Averages $15 Per Hour in Private Industry

Employer costs for employee compensation in private industry averaged $14.96 per hour worked in March 1990, the U.S. Department of Labor's Bureau of Labor Statistics (BLS) reported in June. Breaking out the compensation rate, straight-time wages and salaries averaged $10.84 (72.4 percent of the costs), while benefit costs averaged $4.13 (27.6 percent).

Data reported by BLS on employer costs for employee compensation cover all occupations in private industry, excluding farms and households. BLS publishes these cost levels once a year with the payroll period including March 12 as the reference period.

Legally required benefits (e.g., social security, workers' compensation, unemployment insurance) averaged $1.35 per hour worked, or 9.0 percent of total compensation costs. Of that total, social security cost employers an average of 89 cents per hour worked, or 6.0 percent of all compensation costs.

Other important benefit categories and their average costs per hour worked were: paid leave ($1.03), insurance (92 cents), retirement and savings (45 cents), and supplemental pay (37 cents), which includes premium pay for overtime, shift pay, nonproduction bonuses, and lump-sum payments provided in lieu of wage increases.

Compensation costs varied widely by industry and occupational group, union status, and geographic region, the BLS report shows.

Compensation costs averaged more for workers in goods-producing industries ($17.55 per hour worked) than for those in service-producing industries ($13.97). Among service-producing industries, compensation costs ranged from $8.52 in retail trade to $21.48 in transportation and public utilities. In goods-producing industry groups, compensation costs were $15.59 in nondurable goods manufacturing and $18.56 in durable goods manufacturing.

Among occupational categories, average compensation costs were higher for white-collar workers ($17.59) than for blue-collar workers ($14.57) and service workers ($7.66). However, the level of compensation varied considerably by occupational group within the blue-collar and white-collar categories. No breakdown in compensation costs for various service occupational categories (e.g., protective service or food service occupations) is available.

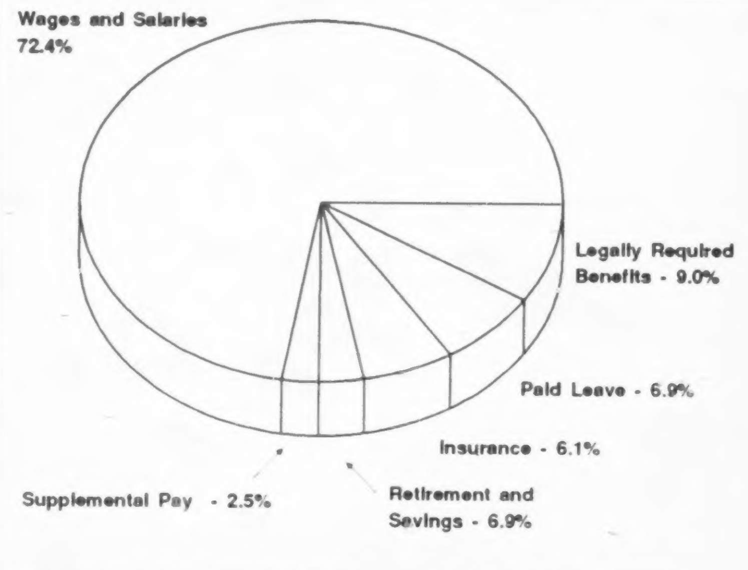
In all private industry, benefits made up a larger proportion of compensation costs for blue-collar workers as a whole (31.1 percent) than for white-collar workers (26.2 percent) and service workers (23.8 percent). Benefits also accounted for a larger proportion of total compensation costs for blue-collar workers than for white-collar workers within both goods- and service-producing industries.

In goods-producing industries, benefits made up 32.3 percent of compensation costs for blue-collar workers, compared with 28.4 percent for white-collar workers. The corresponding proportions in service-producing industries were 29.2 percent and 25.6 percent.

Compensation costs averaged more for union workers ($18.78) in private industry than for nonunion workers ($14.22). In addition, benefits made up a larger proportion of compensation costs for union workers (33.6 percent) than for nonunion workers (26.0 percent).

Compensation costs varied by region, ranging from $17.02 in the Northeast to $13.22 in the South. The proportion of compensation costs made up of benefits, however, was similar among the four regions, ranging from 26.4 percent in the South to 29.0 percent in the Midwest.

(Continued on page 6)



Source: U.S. Dept. of Labor, Bureau of Labor Statistics, June 1990

Figure 1. **Percentage Breakdown of Employee Compensation for Private Industry, March 1990**

Table 1. **Employee Compensation Costs Per Hour Worked by Occupational Categories, Private Industry, March 1990**

Compensation Component	All Workers in Private Industry		White-Collar Workers		Blue-Collar Workers		Service Workers	
	Cost	Pct.	Cost	Pct.	Cost	Pct.	Cost	Pct.
Total compensation	$14.96	100.0	$17.59	100.0	$14.57	100.0	$7.66	100.0
Wage rate	10.84	72.4	12.99	73.8	10.04	68.9	5.84	76.2
Total Benefits	4.13	27.6	4.60	26.2	4.53	31.1	1.82	23.8
Paid Leave	1.03	6.9	1.35	7.7	.86	5.9	.36	4.7
Vacations	.51	3.4	.65	3.7	.46	3.1	.19	2.4
Holidays	.34	2.3	.45	2.6	.30	2.1	.11	1.4
Sick leave	.13	.9	.19	1.1	.07	.5	.06	.7
Other leave	.04	.3	.06	.4	.03	.2	*	*
Supplemental pay	.37	2.5	.34	1.9	.53	3.6	.12	1.6
Premium pay	.17	1.1	.09	.5	.34	2.3	.05	.7
Shift pay	.05	.3	.04	.2	.06	.4	.03	.4
Nonproduction bonuses	.16	1.0	.21	1.2	.13	.9	.04	.5
Insurance	.92	6.1	1.02	5.8	1.03	7.0	.38	4.9
Retirement and savings	.45	3.0	.54	3.1	.47	3.2	.13	1.7
Pensions	.36	2.4	.40	2.3	.41	2.8	.11	1.4
Savings and thrift	.09	.6	.14	.8	.06	.4	.02	.3
Legally required	1.35	9.0	1.34	7.6	1.62	11.1	.82	10.8
Social security	.89	6.0	1.04	5.9	.87	6.0	.49	6.5
Federal unemployment	.03	.2	.03	.2	.03	.2	.03	.4
State unemployment	.09	.6	.09	.5	.12	.8	.07	.9
Workers' compensation	.31	2.1	.16	.9	.56	3.9	.22	2.9
Other benefits	*	*	*	*	.02	.2	*	*

* = Cost per hour worked is $0.01 or less

Source: *U.S. Department of Labor, Bureau of Labor Statistics*, June 1990

(Continued from page 5)

Notes:

1. Employer costs for employee compensation is a measure of the average cost per employee hour worked to employers for wages and salaries and benefits.

2. Wages and salaries are defined as the hourly straight-time wage rate, or for workers not paid on an hourly basis, straight-time earnings divided by the corresponding hours.

3. Benefits covered in the BLS report were:

Paid leave — paid vacations, holidays, sick leave, and other leave.
Supplemental pay — premium pay for overtime and work on weekends and holidays, shift differentials, nonproduction bonuses, and lump-sum payments provided in lieu of wage increases.
Insurance benefits — life, health, and sickness and accident.
Retirement and savings benefits — pension and other retirement plans and savings and thrift plans.
Legally required benefits — social security, railroad retirement and supplemental retirement, railroad unemployment insurance, federal and state unemployment insurance, workers' compensation, and other benefits required by law, such as state temporary disability insurance.
Other benefits — severance pay and supplemental unemployment plans.

Note: More information on the cost levels, including how the costs are calculated, appears in the article "Analyzing Employers' Costs for Wages, Salaries, and Benefits" in the October 1987 issue of the Monthly Labor Review.

—U.S. Department of Labor,
Bureau of Labor Statistics

Child-Care Bill Tops Labor Laws Enacted in '90 Session

In terms of labor-related issues, probably only one watershed bill — and it was somewhat watered down — came out of the 1990 Arizona legislative session. However, the Legislature did pass a significant number of bills covering a wide variety of areas, many of which improved the lot of the average worker in this state.

By far, the most significant piece of legislation enacted — and receiving the most media attention — was a law that offers tax credits to companies providing day-care facilities and services to employees (H.B. 2067).

Although the final bill was scaled down from original plans, the day-care law still offers businesses tax credits of: either the lesser of $15,000 or 50 percent of the cost to acquire or construct dependent day-care facilities; or the lesser of $4,800 or 30 percent of net costs incurred to operate a facility, pay employees for expenses they incur, or provide information and referral services to assist employees in finding day care. The law, which takes effect January 1991 and ends with the 1994 tax year, also denies tax credits if the day-care center is operated at a profit.

Table 1. Highlights of Labor Bills Passed by the 1990 Arizona Legislature

✓ **H.B. 2067** — Gives tax credits to businesses that construct or operate child-care facilities, or help pay or refer employees for child care.

✓ **S.B. 1090** — Establishes full-time trade offices in Europe and Mexico and part-time offices in Japan and Canada, and full-time tourism offices in all of these places.

✓ **S.B. 1186** — Extends the age dependents can receive death benefits from worker's compensation, provided recipients are still attending an accredited educational institution.

✓ **S.B. 1187** — Makes it easier for workers' compensation claimants to receive emergency surgery for a previous compensation injury.

✓ **S.B. 1188 and S.B 1189** — Gives Industrial Commission of Arizona more enforcement power in settling claims for employees when employers or insurers act in bad faith.

✓ **H.B. 2592** — Raises the maximum weekly benefit for unemployment insurance and the amount of income that can be earned without affecting the benefit amount.

✓ **H.B. 2122** — Expands coverage of the "whistleblower" statute to include officers and employees of commissions, agencies, boards, universities, community colleges, county government, and school districts.

Regarding a hot topic in Arizona — economic development — the Legislature passed two bills that increased the scope of previously passed legislation.

S.B. 1090 allows the state Department of Commerce to establish full-time trade offices in Europe and Mexico and part-time offices in Japan and Canada, as well as full-time tourism offices in all of these places. Trade and tourism offices were established previously in Taiwan.

Another bill (S.B. 1351) adds tribal governments to other entities — state and local government, and private enterprise — receiving financial aid under the Omnibus Economic Development Act passed in 1989. The law also establishes a small-business development center network made up of development programs run by each community college district.

Several pieces of legislation were passed that improved benefits to employees from Arizona's workers' compensation program.

S.B. 1186 extends, from 18 to 22 years old, the age dependents can receive death benefits, provided the recipient is a full-time student at an accredited educational institution. S.B. 1187, meanwhile, makes it easier for a claimant to have emergency surgery for a prior workers' compensation injury. The bill enables a person, up to seven days prior to surgery, to file a petition to reopen the case, amending the old legislation that required paperwork prior to surgery.

Another law, S.B. 1199, increases from $10 to $25 the amount given to dependents of an injured employee who

(Continued on page 8)

(Continued from page 7)

is suffering from a temporary total disability, and deletes the provision requiring a person who receives the "allowance" be totally dependent on an injured employee.

Also, two related bills seek to give more relief to employees who have not been dealt fairly by employers and insurers concerning workers' compensation claims.

S.B. 1188 gives the Industrial Commission of Arizona (ICA) more enforcement power to settle claims with employees and collect money from employers when employers have no workers' compensation insurance and/or fail to respond to a request for a hearing. S.B. 1189, meanwhile , allows ICA the power to levy a $500 benefit penalty or 25 percent of the benefit amount, whichever is more, when employees have been subjected to an unfair claims practice or bad faith on part of the employer or insurance carrier. Previously, the violation called for only a penalty of 25 percent of the benefit.

And finally regarding workers' compensation, H.B. 2173 lays the ground rules for filing a claim for employees who contract AIDS or the HIV virus as a result of "significant exposure" to the disease due to their job. This bill is primarily aimed at health care and law enforcement workers, and excludes contraction of the disease through sexual activity or illegal drug use.

There were also three bills enacted by the Legislature dealing with unemployment insurance — one increasing the maximum benefit paid, and the other two relating to administrative procedures.

H.B. 2592 raises, effective immediately, the maximum allowable benefit for unemployment insurance from $155 to $165 a week and the amount of income a claimant can make without reducing benefits, from $15 to $30 a week. With the weekly benefit increase, Arizona moved from 47th to 44th in ranking among all states, Washington D.C., Puerto Rico and the Virgin Islands.

S.B. 1378 allows a person going to a UI benefit hearing one excused absence (for any reason), provided the Department of Economic Security (DES) is notified 15 minutes in advance. Prior to this bill, a hearing was held to determine if the absence was valid; otherwise, the person's benefits could be canceled.

Also concerning unemployment insurance, DES was given a break when H.B. 2253 reduced the number of days — from 20 to 10 — needed to notify a UI claimant in advance of an appeal. This was necessitated because DES has had problems completing appeal cases within 30 days as required by several state and federal regulations.

Other new laws passed and revised legislation deal with labor issues ranging from the employment of youth, to protection of whistleblowers, to fingerprinting of domestic shelter employees.

- H.B. 2245 expands the type of family members — who are in charge of and own at least own 10 percent of a business — that can employ a person under 18 years old and are exempt from certain state statutes relating to youth labor. Now, in addition to parents or legal guardians, a stepparent, grandparent, brother, sister, aunt, uncle, and first cousin is given the exemption.

- H.B. 2360 establishes training programs and certification procedures for employees working with asbestos, and requires ICA to develop and implement rules for reporting asbestos and mesothelioma diseases. Most of the law takes effect Oct. 1, 1991.

- H.B.2680 establishes duties of the new State Board of Vocational and Technological Education. By Oct. 15, the new board is required to develop a statewide plan for vocational/technical training, and proposals for taxing employers as a regular funding source for the agency, as well as tax credits to businesses who provide voc ed training.

- H.B. 2122 expands the application of the "whistleblower" statute covering state employees to include officers and employees of commissions, agencies, boards, universities, community colleges, county governments and school districts. The revised law also puts in some protections for employers, and decreases the civil penalty maximum — from $25,000 to $5,000 — for persons who retaliate against a whistleblower.

- S.B. 1242 requires fingerprinting of any workers of shelters for domestic violence, and requires that employees of these shelters cannot be awaiting trial or convicted of a certain crimes, many of which deal with sexual abuse.

(Continued on page 19)

The Arizona Labor Force in May

There is supposedly an old Chinese saying that goes, "May you live in interesting times." That saying fits well to Arizona's current economic situation. While nationally there appears to be storm clouds brewing, for the past year we have been enjoying relatively good times.

Analysts point to flat retail sales and little, if any, job creation to support their contention that the U.S. economy has lost its momentum; that the Gross National Product may be down in the third quarter; and that the Federal Reserve needs to push interest rates down.

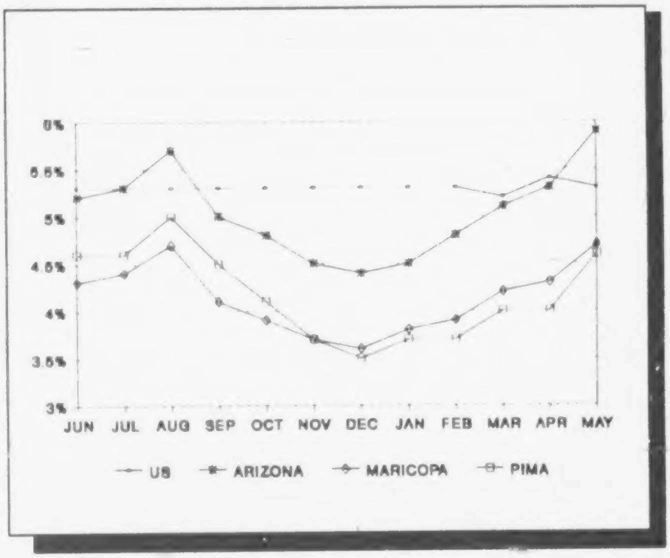
Meanwhile, the state has enjoyed healthy job growth of 51,200 (3.5 percent) over the last twelve months. And a recent national report that projects Arizona will be the second fastest growing state (behind Nevada) during this decade provides an another reason to be optimistic.

But everything isn't coming up roses. Arizona's unemployment rate is up for the fifth consecutive month and the construction industry remains depressed, although there are more people working in the industry since the end of last year. Combined with a generally lackluster outlook for manufacturing as defense-related purchases are curtailed, there are reasons to view the future cautiously.

The unemployment rate rose last month in all areas of the state, except LaPaz and Mohave counties. Statewide, the unemployment rate increased from 5.3 percent in April to 5.9 percent in May. In Maricopa and Pima counties, the increases were from 4.3 to 4.7 percent and from 4.0 to 4.7 percent, respectively.

The increase in unemployment does not seem to be coming from people who are losing their jobs and then finding it difficult to obtain re-employment. Rather it seems to be a combination of students seeking summer employment and the entry of persons into the labor force who previously had not been looking for a job.

Figure 1. **U.S., Arizona, and Maricopa and Pima Counties' Unemployment Rates, June 1989 - May 1990**



At the employment-by-industry level, Arizona continues to do surprisingly well considering the potential problems that a slowdown in manufacturing and real estate could have produced. Manufacturing employment increased for the first time this year, adding 700 jobs in May. No one source of strength was evident. Both metropolitan areas of the state combined with the non-metropolitan areas to post this increase.

While the addition of 600 jobs in construction looks promising, that is less than the seasonal increase that usually occurs at this time of the year. Most of the jobs were added in the northern rural counties where weather conditions preclude work during much of the year.

When compared to employment over the last twelve months, 2,600 construction jobs (3.1 percent) have been lost. Even falling interest rates will be of slight benefit. The existing overhang of vacant property will temper future growth.

Retail and wholesale trade employers are enjoying only moderate growth. Of course, much of this is due to the time of the year and the fact that there is plenty of capacity in the local market.

The loss of 1,300 jobs in services is noteworthy — not because of the decline, but because it was not a larger de-

(Continued on page 14)

Arizona Labor For

May 1990 (i

	ARIZONA				
				Amount	Change
	May* 1990	Apr. 1990	May 1989	Apr. - May	1989 - 1990
TOTAL CIVILIAN LABOR FORCE**	1726.1	1714.4	1751.5	+11.7	-25.4
Total Unemployment	93.3	86.2	83.6	+7.1	+9.7
Rate	5.4	5.0	4.8	—	—
Rate (Sea. Adj.)***	5.9	5.3	5.2	—	—
Total Employment	1632.8	1628.2	1667.9	+4.6	-35.1

Note: Above Labor Force Statistics Should Not Be Used for Economic Assistance Programs

NONAGRICULTURAL WAGE AND SAL

	May* 1990	Apr. 1990	May 1989	Apr. - May	1989 - 1990
TOTAL WAGE AND SALARY	1513.6	1510.0	1462.3	+3.6	+51.3
Manufacturing	188.0	187.3	187.3	+0.7	+0.7
Durable Goods	142.6	141.9	142.5	+0.7	+0.1
Stone, Clay, and Glass	7.5	7.3	7.2	+0.2	+0.3
Primary and Fabricated Metals	15.6	15.6	15.4	+0.0	+0.2
Primary Metals	7.7	7.7	7.7	+0.0	+0.0
Fabricated Metals	7.9	7.9	7.7	+0.0	+0.2
Machinery	58.9	58.8	61.1	+0.1	-2.2
Aircraft and Missiles	27.2	26.8	26.0	+0.4	+1.2
Lumber and Wood Products (Excluding Furniture)	7.7	7.7	7.4	+0.0	+0.3
Nondurable Goods	45.4	45.4	44.8	+0.0	+0.6
Food and Kindred Products	9.7	9.8	9.4	-0.1	+0.3
Printing and Publishing	16.8	16.8	16.8	0.0	+0.0
Mining and Quarrying	12.7	12.7	11.9	0.0	+0.8
Copper Mining	9.7	9.7	9.2	0.0	+0.5
Construction	82.5	81.9	85.1	0.6	-2.6
Trans., Communications, & Public Utilities	80.3	80.4	76.4	-0.1	+3.9
Transportation	44.9	44.3	40.7	+0.6	+4.2
Communications and Public Utilities	35.4	36.1	35.7	-0.7	-0.3
Trade	377.3	376.5	365.0	+0.8	+12.3
Wholesale Trade	78.4	78.0	74.8	+0.4	+3.6
Retail Trade	298.9	298.5	290.2	+0.4	+8.7
General Merchandise and Apparel	45.1	45.1	43.8	+0.0	+1.3
Food Stores	48.7	48.8	48.5	-0.1	+0.2
Automotive and Service Stations	35.8	35.6	35.4	+0.2	+0.4
Eating and Drinking Places	107.4	107.7	103.4	-0.3	+4.0
Finance, Insurance, and Real Estate	94.4	94.3	92.3	+0.1	+2.1
Services and Miscellaneous	408.4	409.7	387.2	-1.3	+21.2
Hotels and Lodging Places	46.6	46.8	42.8	-0.2	+3.8
Business Services	75.4	75.8	72.8	-0.4	+2.6
Health Services	100.7	100.5	96.3	+0.2	+4.4
Government	270.0	267.2	257.1	+2.8	+12.9
Federal	49.6	48.5	45.3	+1.1	+4.3

* Preliminary

** Labor force, unemployment, and employment are reported by place of residence.

*** Normal seasonal variations have been eliminated to reflect underlying economic trends.

**** Business Services undergoes a series break between December 1987 and January 1988 as a result of the 1987 SIC realignment.

ce and Employment

thousands)

MARICOPA COUNTY					PIMA COUNTY				
			Amount Change					Amount Change	
May* 1990	Apr. 1990	May 1989	Apr. - May	1989 - 1990	May* 1990	Apr. 1990	May 1989	Apr. May	1989 - 1990
1066.8	1061.9	1091.9	+4.9	-25.1	315.6	313.4	325.4	+2.2	-9.8
46.2	43.8	42.1	+2.4	+4.1	13.1	12.3	13.2	+0.8	-0.1
4.3	4.1	3.9	—	—	4.2	3.9	4.1	—	—
4.7	4.3	4.2	—	—	4.6	4.0	4.5	—	—
1020.6	1018.1	1049.8	+2.5	-29.2	302.5	301.1	312.2	+1.4	-9.7

RY EMPLOYMENT BY PLACE OF WORK

996.0	994.0	964.7	+2.0	+31.3	257.8	257.3	251.6	+0.5	+6.2
139.6	139.3	138.7	+0.3	+0.9	27.0	26.7	28.1	+0.3	-1.1
107.1	106.9	106.4	+0.2	+0.7	21.4	21.2	22.6	+0.2	-1.2
4.5	4.5	4.3	0.0	+0.2					
10.7	10.6	10.5	+0.1	+0.2					
48.5	48.6	49.9	-0.1	-1.4					
32.5	32.4	32.3	+0.1	+0.2	5.6	5.5	5.5	+0.1	+0.1
6.8	6.7	6.4	+0.1	+0.4					
12.1	12.1	12.2	0.0	-0.1					
1.0	1.0	0.9	0.0	+0.1	2.2	2.2	2.0	+0.0	+0.2
54.4	54.2	57.3	+0.2	-2.9	14.6	14.5	15.2	+0.1	-0.6
56.3	56.1	53.2	+0.2	+3.1	9.6	9.5	9.6	+0.1	+0.0
33.8	33.3	30.1	+0.5	+3.7	4.9	4.8	4.9	+0.1	+0.0
22.5	22.8	23.1	-0.3	-0.6	4.7	4.7	4.7	+0.0	+0.0
253.9	253.5	246.5	+0.4	+7.4	59.9	59.8	58.1	+0.1	+1.8
62.6	61.9	59.8	+0.7	+2.8	7.9	7.8	7.6	+0.1	+0.3
191.3	191.6	186.7	-0.3	+4.6	52.0	52.0	50.5	+0.0	+1.5
28.1	28.2	27.5	-0.1	0.6	6.7	6.8	+7.1	-0.1	-0.4
31.3	31.3	30.9	0.0	+0.4	7.9	7.9	8.1	0.0	-0.2
22.8	22.7	22.4	+0.1	+0.4	5.7	5.7	5.8	0.0	-0.1
68.3	68.8	66.1	-0.5	+2.2	20.1	20.1	19.2	0.0	+0.9
75.9	75.8	74.0	+0.1	+1.9	11.4	11.4	11.4	0.0	+0.0
275.8	277.2	261.8	-1.4	+14.0	74.8	75.2	71.3	-0.4	+3.5
28.7	29.2	25.9	-0.5	+2.8	7.0	7.1	6.6	-0.1	+0.4
60.5	60.8	59.3	-0.3	+1.2	10.2	10.3	9.5	-0.1	+0.7
65.3	65.1	62.7	+0.2	+2.6	21.8	21.8	21.0	0.0	+0.8
139.1	136.9	132.3	+2.2	+6.8	58.3	58.0	55.9	+0.3	+2.4

IOTE: Prepared by Arizona Dept. of Economic Security, Research Administration, in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics.

Nonmetropolitan Counties
Labor Force and Employment
May 1990

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
CIVILIAN LABOR FORCE*	14,925	36,950	46,725	13,000	8,275	2,875	6,500
Total Unemployment	1,975	2,450	2,800	1,225	575	200	350
Rate	13.2%	6.6%	6.0%	9.4%	6.9%	7.0%	5.4%
Rate (Seas. Adj.)**	16.5%	7.2%	7.1%	10.7%	7.8%	7.7%	6.6%
Total Employment	12,950	34,500	43,925	11,775	7,700	2,675	6,150

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
TOTAL WAGE AND SALARY	15,825	27,000	44,500	11,500	5,225	2,900	3,950
Manufacturing	900	1,250	3,375	1,475	225	25	250
Mining & Quarrying	50	175	325	1,325	0	1,675	75
Construction	600	700	1,925	400	150	100	200
T.C.P.U.	2,000	1,825	3,225	400	175	50	150
Trade	1,950	5,850	10,100	2,625	1,375	250	1,225
F.I.R.E.	450	675	725	300	125	25	100
Services & Misc.	4,650	5,100	11,800	2,175	850	150	1,025
Government	5,225	11,425	13,025	2,800	2,325	625	925

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	37,350	28,775	39,600	12,225	40,350	56,225
Total Unemployment	1,900	2,550	3,050	1,475	1,850	13,525
Rate	5.1%	8.9%	7.7%	12.1%	4.6%	24.0%
Rate (Seas. Adj.)**	5.5%	11.1%	8.2%	16.3%	4.9%	18.7%
Total Employment	35,450	26,225	36,550	10,750	38,500	42,700

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
TOTAL WAGE AND SALARY	27,100	22,850	30,125	11,600	28,500	28,725
Manufacturing	2,525	1,950	3,875	1,150	2,250	2,175
Mining & Quarrying	50	1,200	3,700	0	850	75
Construction	3,250	1,350	600	375	2,450	1,375
T.C.P.U.	1,150	1,675	1,050	750	1,075	950
Trade	8,375	4,400	6,075	5,125	7,825	8,275
F.I.R.E.	1,200	425	850	300	975	950
Services & Misc.	6,150	5,425	4,650	1,975	7,050	6,800
Government	4,400	6,425	9,325	1,925	6,025	8,125

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities
F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Estimated Hours and Earnings of Production Workers in Selected Industries
Arizona

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	May* 1990	Apr. 1990	May 1989	May* 1990	Apr. 1990	May 1989	May* 1990	Apr. 1990	May 1989
Manufacturing	410.00	406.63	404.33	41.0	40.3	40.8	10.00	10.09	9.91
Aircraft & Missiles	636.47	613.36	591.91	45.3	44.0	43.3	14.05	13.94	13.67
Food & Kindred Prod.	334.80	335.23	341.25	40.0	39.3	40.1	8.37	8.53	8.51
Primary Metals	466.49	461.55	511.43	38.3	36.4	39.1	12.18	12.68	13.08
Machinery	376.65	366.66	400.36	38.2	37.8	40.4	9.86	9.70	9.91
Copper Mining	602.48	594.51	558.95	44.3	44.3	43.6	13.60	13.42	12.82
Construction	446.25	434.16	422.18	37.5	36.7	35.9	11.90	11.83	11.76
Utilities	741.04	769.05	667.89	44.4	44.3	40.7	16.69	17.36	16.41
Retail Trade**	255.84	260.57	249.24	32.8	32.9	33.1	7.80	7.92	7.53
Wholesale Trade	376.11	383.13	371.70	38.3	38.7	38.8	9.82	9.90	9.58

Estimated Hours and Earnings of Production Workers in Selected Industries
Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	May* 1990	Apr 1990	May 1989	May* 1990	Apr. 1990	May 1989	May* 1990	Apr. 1990	May 1989
Manufacturing	428.45	422.99	421.83	41.0	40.4	40.6	10.45	10.47	10.39
Construction	460.66	454.85	438.26	37.3	36.8	36.4	12.35	12.36	12.04
Retail Trade**	265.79	270.25	264.18	33.1	33.2	34.0	8.03	8.14	7.77
Wholesale Trade	389.13	404.30	393.42	38.3	38.8	39.5	10.16	10.42	9.96

Estimated Hours and Earnings of Production Workers in Selected Industries
Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	May* 1990	Apr. 1990	May 1989	May* 1990	Apr. 1990	May 1989	May* 1990	Apr. 1990	May 1989
Manufacturing	353.35	346.08	360.99	37.0	35.9	37.8	9.55	9.64	9.55
Construction	396.36	382.70	389.39	36.7	35.8	36.7	10.80	10.69	10.61
Utilities	589.42	587.85	578.69	39.4	39.4	41.1	14.96	14.92	14.08

* Preliminary.

** Excludes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs May 1990

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,726,110	1,632,845	93,265	5.4%
Apache	14,925	12,947	1,978	13.3
Cochise	36,937	34,496	2,441	6.6
Coconino	46,734	43,925	2,809	6.0
Gila	12,977	11,763	1,214	9.4
Graham	8,272	7,699	573	6.9
Greenlee	2,873	2,669	204	7.1
La Paz	6,505	6,149	356	5.5
Maricopa	1,066,792	1,020,583	46,209	4.3
Mohave	37,359	35,454	1,905	5.1
Navajo	28,783	26,221	2,562	8.9
Pima	315,580	302,452	13,128	4.2
Pinal	39,584	36,542	3,042	7.7
Santa Cruz	12,234	10,756	1,478	12.1
Yavapai	40,337	38,493	1,844	4.6
Yuma	56,217	42,696	13,521	24.1

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

The Arizona Labor Force in May

(Continued from page 9)

crease. The coming of warm weather, the end of tax season, and a multitude of other factors were expected to push employment down by about 3,000. Hotels, business services, and personal services, among others, usually record large losses at this time of the year.

Finally, government employment was up 2,800 jobs (1.0 percent) in the last month, well above the normal increase of 500 (0.2 percent). The large jump was due primarily to the addition of 850 census workers, as well as summer recreational programs and youth employment projects taking hold.

The outlook for Arizona's economy is good, though it is hard to characterize it as "explosive." If the national economy does record a slowdown, it will be difficult for the state to remain isolated. But the underlying structure and fundamentals of our economy are solid. The near-term outlook for Arizona is more of the same.

Interesting?

—Dan Anderson
RA Administrator

NEWS IN BRIEF

Following are brief summaries of news stories compiled from a variety of sources relating to labor issues affecting the nation and Arizona.

Report Urges Job Funds for Displaced Homemakers

A rapidly growing population and lack of job training are two reasons cited in a recent report why additional funding is needed for displaced homemakers. The report, "The More Things Change ... A Status Report on Displaced Homemakers and Single Parents in the 1980s," urges passage of federal legislation that would "tailor and expand services to displaced homemakers, including counseling, career assessment, child care and transportation," says an article in Vocational Training News, a weekly report on employment, training, and vocational education.

The report says that despite the rising percentage of displaced homemakers finding work (33 to 43 percent) over the last decade, most employment is part-time, and one-third of displaced homemakers currently live below the poverty line, according to *Vocational Training News*.

The authors of the report, the National Displaced Homemakers Network, were pushing for $75 million in funding for job support and training under an amended Job Training Partnership Act (JTPA), before Congressional support backed off. The group is now pushing legislation that only deals with displaced homemakers, including additional money for adult dependent care, classes in English as a second language, and housing assistance and health care information.

Copies of the report are available by writing to: National Displaced Homemakers Network, 1411 K St., NW, Suite 930, Washington D.C., 20005; or calling (202) 628-6767.

U.S. Lags in Training Non-College-Bound Youth

A General Accounting Office (GAO) report says the United States is deficient in training non-college-bound youth for work in comparison to other highly industrialized nations, according to an article in *Vocational Training News*.

The GAO report, "Training Strategies: Preparing Non-college Youth for Employment in the U.S. and Foreign Countries," says U.S. expenditures on non-college-bound youth are less than half of what is spent on college youth. In addition, the GAO suggests that Congress expand preschool and early intervention programs (e.g., Head Start), legislators create equitably financed school systems, and schools tailor programs to reflect local needs.

The report, which did not look at potential costs or funding sources, urges the U.S. Education and Labor departments to take the initiative in helping state and local governments "to work more effectively to equip U.S. non-college youth" for work. A free copy of the report is available by writing to: General Accounting Office, P.O. Box 6015, Gaithersburg, Md., 20877; or calling (202) 275-6241.

Child Labor Violations on Rise Since '83

Another GAO report released in May says child labor violations increased 145 percent from 1983 to 1989, according to an article in *Employment and Training Reporter*, a weekly publication that follows labor issues. The report, "Child Labor: Increases in Detected Child Labor Violations Throughout the United States," was not able, however, to determine the cause of the increase or estimate the number of work-related injuries and illnesses suffered.

Due to the study, federal legislation has been proposed to toughen child labor laws, including increased documentation of wages and hours, and higher penalties per violation. Among the findings of the report were: 22,500 illegally employed minors in '89 versus 9,200 in '83; of 29 work-related deaths of minors in fiscal years 1987 and '88, 11 involved safety and health standards and possible labor violations; at least 30,000 illnesses and injuries were reported in '88 from half the states.

Five copies of the report are available for free by contacting the GAO (see prior story).

Program to Help Improve Basic Skills, Literacy

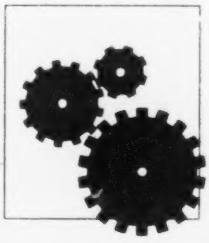
The Labor Department and American Bankers Association have joined together on a project that is designed to improve basic skill levels of employees in banking and other U.S. industries. The program, called Performance 2000, initially will train newly hired bank tellers and is divided into three phases: basic skills and workplace literacy; technical training in core job functions; and structured on-the-job training.

The third phase will include the use of performance coaches — primarily head tellers — to give workers structured learning exercises that can be used in their everyday experiences on the job. The ABA and Labor Department will compare results from this project against traditional training and use that information in planning future training.

The project will get under way this fall and will involve seven operations around the country. Performance 2000 is the first of four private sector programs supported under a $750,000 grant funded by the DOL's Employment and Training Administration's Office of Work-Based Learning (OWBL).

New Developments

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the Arizona LMI Newsletter is not responsible for incorrect information reported by these sources.



MANUFACTURING — **McDonnell Douglas Helicopter Co.** announced in mid-July that it was eliminating 800 positions at its Mesa and Culver City, Calif., plants, as part of 17,000 planned cuts nationwide due to a series of financial and production problems. Three hundred full-time and temporary positions were cut immediately from a work force of 5,100 in Mesa, with a total of 400 more jobs in Mesa and Culver City expected to be phased out over the rest of the year. Since May 1989, McDonnell Douglas has eliminated 1,600 jobs at the two plants. The average salary at the helicopter company is $36,000.

A Scottsdale manufacturer of computer magnetic tape, **Data-Mag**, has filed for reorganization under U.S. Bankruptcy laws. The company, which lost nearly $4 million in the year ending Sept. 30, 1989, makes backup memory tapes. No information on how the reorganization will affect employment was announced.

Special Devices Inc. of Newhall, Calif., which supplies materials for TRW Inc.'s air-bag-manufacturing plant in Mesa, is studying a move to that city. The relocation of Special Devices, which is looking at a 14-acre site at Falcon Industrial Park for office and assembly space, could lead to employment of 150.

Delco Electronics and Hughes Aircraft Co. have announced a joint venture to build high-tech microwave integrated-circuit chips for automotive and military radar applications. The new company, called **H E Microwave**, will produce the microwave modules at Hughes' manufacturing plant in Tucson, is expected to lead to employment of 750 by 1998. Prototype manufacturing will begin in September with about 25 assembly, testing and technical workers, with salaries ranging from $9 to $15 an hour.

Although there were promises by developers of 1,000 new jobs when **Bombardier Inc.** of Montreal announced a few months ago it was purchasing Wichita, Kan.-based **Learjet Inc.**, some of those hopes were dashed recently — at least for the time being. Bombardier says Learjet's manufacturing facility in Tucson, which employs 350 workers, isn't likely to grow for the foreseeable future. There is the potential, however, for some additional products — relating to mass-transit, aerospace and recreation — being produced at Learjet's facility at Tucson International Airport, the company says.

SERVICES — The largest Valley hospital employer, **Samaritan Health Services of Phoenix**, has laid off 182 employees, all at its corporate offices, as part of the first of several cost-cutting measures. The cuts, which will save Samaritan $4.1 million in salaries and benefits, represent nearly 25 percent of the company's corporate work force and 2 percent of its overall employment of 9,000 in metropolitan Phoenix. A total of 85 full-time and 97 part-time jobs were eliminated in the areas of construction, human resources, and planning.

Auto Giant Warehouse may resemble a major retail chain more than an auto-service store when it opens its doors this summer in the former location of a Home Express store near MetroCenter. Featuring 56,000 square feet of space and 20 service bays, the car-maintenance business will offer repair service, oil change and lubes, tires, and parts, and is expected to employ 185 workers. This is the second location for Auto Giant, based in Long Beach, Calif.

CIGNA Corp. has chosen the Valley for the Western regional headquarters of a subsidiary, **Employee Benefits Co.** About 100 jobs will be created by Employee Benefits, which is expected to begin operation in August or September. A portion of the the company's employees will come from other CIGNA offices and some will be hired locally.

The equivalent of 100 full-time positions were expected to be eliminated by the **Yuma Regional Medical Center (YRMC)** in mid-July due to low occupancy, increasing costs of health insurance, and shorter hospital stays. All departments at YRMC will be affected, but no nurses or doctors are being laid off. YRMC, which raised rates 8 percent last October, has an occupancy rate of 58 percent. The hospital also plans to put on hold construction plans for a mental health unit and expansion of its medical tower.

The **Rehab Institute of Tucson**, the first stand-alone rehabilitation facility in southern Arizona, was expected to open in early July and employ 120 people, mainly profes-

(Continued on page 17)

(Continued from page 16)

sional medical workers. The $10 million, 78,400-square-foot hospital, located on the northeast corner of the Tucson Medical Center campus (North Craycroft and East Grant roads), is owned by Rehab Systems Co. of Camp Hill, Pa. The new facility, which is expected to have 250 employees when its fully operational in September, will focus on patients needing rehabilitation from strokes, cardiac disease, arthritis, and brain and spinal cord injuries.

FHP Inc., a health-maintenance organization based in Tempe, announced it plans to add four medical facilities — three of which will be in west Phoenix, Mesa and Tucson — within the next six to eight months. FHP, which will spend about $10 million on the new buildings, would not estimate the employment impact, but a recent facility that opened in central Phoenix employs 15 workers.

Nearly 1,000 new hotel rooms have been announced, are under construction or will open in 1990, bringing to 4,500 the number of hotel rooms in the Flagstaff area, according to the Flagstaff Chamber of Commerce in its July newsletter, *FlagstaffToday*. The Chamber publication also says demand for rooms increased 10.4 percent in 1989, but because of the increased supply of rooms, occupancy rates will fall slightly, to around 72 percent this year and 71 percent in 1991.

Both of the state's two metropolitan areas are trying to lure an additional major downtown hotel. A recent study by the Phoenix & Valley of the Sun Visitors and Convention Bureau concludes a **third major hotel** is needed for downtown Phoenix. An 800- to 1,000-room hotel would bring $400 million in construction and indirect spending and tax revenue, as well as 1,000 jobs during construction and 500 jobs once the project is complete, the study reports. There are now 1,300 hotel rooms in downtown Phoenix, which is between 30 percent and 60 percent lower than most major cities in the West. Meanwhile, a study by the accounting firm of Deloitte and Touche says an additional 350 to 500 rooms are needed near the recently expanded Tucson Convention Center. Currently, a 300-room Holiday Inn is the only major hotel near the center, and the city of Tucson is requesting proposals for another hotel.

FINANCE, INSURANCE AND REAL ESTATE — Despite a sluggish Arizona real estate market, home sales for the year-ending June 30 for the Sun City-retirement communities in the northwest Valley and north Tucson were up 12.4 percent. Closings in that period increased in Sun City West from 655 to 672, and in Sun City Tucson, from 150 to 233.

The **Resolution Trust Corp. (RTC)**, handling the takeover and sale of failed savings and loans, says Phoenix-based **MeraBank** should be sold, probably to an out-of-state group, by the end of September. The state's largest thrift, MeraBank, has 66 branches in Arizona and 10 in Texas with assets of $6.4 billion. Two other Arizona thrifts, Western Savings and Sentinel Savings, were recently sold by the RTC, but the future of several other thrifts in the state is still undecided.

TRADE — Step right up. The new $4 million, 38,000-square-foot **Metro Midway and Discovery Center** at MetroCenter, Interstate 17 and Dunlap Avenue, has opened for business. The midway — which features an old-fashioned carrousel, high-tech games, and assorted carnival attractions — replaces an ice-skating rink and is hoped to bring a 10 percent increase in mall traffic. Two other retail shopping centers — Superstition Springs Center in Mesa and Scottsdale Galleria — will open in the fall and spring, respectively, and are also planning entertainment areas.

Fort Worth-based **Pier 1 Imports** plans to make changes in its present locations in Phoenix and Tucson and expects to add six to eight stores in the state — five in the Valley — by the end of the decade. The home-furnishings retailer says it will open a larger store in Tucson on Broadway Road in July, replacing its nearby location, while a location on McClintock Drive in Tempe may stay open despite original plans to close it down when a Mesa store on Southern Avenue opened in June.

Albertson's Inc. was scheduled to open its fifth grocery store in the Valley in July — at the Westridge Shopping Center, 75th Avenue and Thomas Road — and plans to have completed another four stores in the Phoenix area by the end of the year, and 20 by the end of 1992. The four supermarkets being built are in Mesa (Val Vista Road and University Drive), Peoria (83rd Avenue and Peoria Road), and Phoenix (Ray Road and 48th Street, and 19th Avenue and Indian School Road). The Boise, Idaho-based supermarket chain also recently received approval for a 63,000-square-foot store in the planned Scottsdale Crossing shopping center, Scottsdale and Thomas roads.

Mr. Gasket Co., a leading manufacturer and distributor of automotive-replacement parts, announced it's building a national distribution center in Tempe, which is expected to employ 70 to 80 people. The Cleveland-based company, which currently employs 50 at its office and warehouse at the

(Continued on page 18)

(Continued from page 17)

Broadway Industrial Park in Tempe, also plans to expand existing warehouse space at the industrial park to accommodate the move of its Cragar wheel- and tire-distribution center to that location. All told, Mr. Gasket is expected to have more than 200 employees in the Valley within a few years.

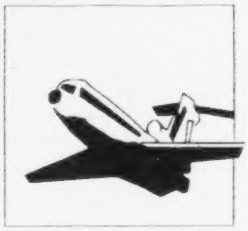
Phoenix-based **Yellow Front Stores**, which filed for federal bankruptcy protection earlier in the year, was down to six stores in late June, five in rural Arizona and one in New Mexico. The general-merchandise chain had as many as 170 locations two years ago, including 26 in the Phoenix area, but had problems of late due to increased competition from stores such as Wal-Mart. There is speculation that Yellow Front may reappear as a small chain called Bargain West.

About 65 percent (96,000 square feet) of space has been leased at a retail district at the Arizona Center, a $515 million project in downtown Phoenix that also includes two 20-story buildings. The retail area, called **The Shops**, is expected to be 100 percent leased when it opens Nov. 15 and will include a variety of stores and restaurants. One of the high-rises opened last year and is occupied by Arizona Public Service Co., while the other building will open this fall and be home to Pinnacle West Corp.

Ninety-five employees lost their jobs in late June when **The O'Malley Cos.**, a Phoenix-based building and supply company, closed its five remaining stores, all in the Valley. Increased competition from home-building chains forced the 80-year-old chain to sell the retail business to a San Francisco company, Levin Group, but O'Malley's plans to continue its wholesale operations. Previously, O'Malley's closed five stores in Arizona and one in El Paso.

About 200 jobs are expected to be created by opening of a 110,000-square-foot **Price Savers** store in Phoenix, at 48th and Madison streets. The scheduled opening of the wholesale-retail chain's fourth Valley location is in mid-November.

Home Depot Inc. is building a lumber distribution center on the **Gila River Indian Community** near Chandler to serve the Atlanta-based chain's nine stores in the state. The 30,000-square-foot warehouse is expected to be completed in six months. No information is available on employment.



TRANSPORTATION, COMMUNICATIONS AND PUBLIC UTILITIES — Due to strength in its long-distance calling programs, **American Telephone and Telegraph Co. (AT&T)** plans to add 500 jobs in the Phoenix metropolitan area by the end of the year. The primarily clerical and customer-service positions will be located in Ahwatukee and Mesa and pay about $12,000 annually. Additional information about the jobs is available by calling 1-800-336-3128.

AiResearch Tucson Division was expected to lay off 130 workers — 10 percent of its work force — by July 27 due to order cancellations and requests to delay production. The cutbacks come on the heals of work reductions last October (81) and in February (47). A division of Allied-Signal, AiResearch produces electronic equipment for military and commercial aircraft.

Continental Airlines has eliminated the Phoenix and Tucson areas from consideration for a aircraft maintenance facility. Continental, of Houston, had picked the Arizona cities as two of 13 potential sites for the facility expected to generate 5,000 jobs, the airline said. Four Texas cities, Shreveport, La., and Denver are the remaining candidates for the maintenance center.

Phoenix-based **America West Airlines** continues to fly high in terms of job growth, and it recently announced that the city of Phoenix, Maricopa County, and the state had agreed to loan the airline $48 million for primarily expanding its hangar and maintenance operations. The airline, which reported a 20 percent increase in air traffic for the six months ending June 30, has been adding about 100 employees a month to its payroll and the new facilities are expected to increase employment by 4,000 by 1997. America West presently employs 8,500 of its 12,500 work force in the Valley.

In an effort to cut expenses and lower utility rate requests, **Arizona Public Service Co.** is cutting $575 million from its construction and equipment budgets through 1994, as well as making plans for eliminating jobs. The job reduction would be the third since 1988 for APS, which currently has a work force of 7,700. Pressure from an attempted takeover by Pacific Corp., a utility from Portland, Ore., along with the Valley's economic slowdown, has forced the state's largest utility to make changes.

CONSTRUCTION — Wal-Mart Corp. has taken over development of the **Palo Verde Village** shopping center in Yuma, where it was building a 110,000-square-foot Wal-Mart department store and 22,000-square-foot Factory 2-U store. Omega Development Corp. of Tulsa, Okla., was constructing the rest of the 22,000 square feet to be occupied by 30

(Continued on page 19)

(Continued from page 18)

specialty stores. Wal-Mart, which will employ 245 workers, and Factory 2-U are expected to open in November.

MISCELLANEOUS —Arizona, along with Missouri and Washington, are three states expected to be hit hard by projected Defense Department cuts, according to the **Council on Economic Priorities**, a non-profit research group in New York. Arizona could lose as many as **37,000 defense-related jobs**, the group says, but several economists in the state say the impact may be minimal because defense-related workers make up only a small part of Arizona's economy.

The state has hired **SRI International** of Menlo Park, Calif., to develop the first phase of a strategic economic development plan for Arizona. SRI, which will develop a process for coordinating development, retention, formation and recruitment of business, is expected to complete its work by early next year. Formerly known as Stanford Research Institute, SRI has worked with 37 states and 14 foreign countries on economic development plans.

BLS Releases 1990-91 Edition of Occupational Outlook Handbook

The 1990-91 edition of the *Occupational Outlook Handbook*, a valuable resource on occupations, as well as the current and future job market, was recently released by the U.S. Department of Labor, Bureau of Labor Statistics (BLS).

Published every other year for more than four decades, the updated publication includes: in-depth profiles of 250 occupations; brief summaries on 80 additional job categories; easy-to-read graphs and tables illustrating the handbook's major points; and chapters on where to go for additional employment information and leads, and tomorrow's jobs.

The heart of the BLS guide (more than 400 pages), however, are the job profiles. From architects to zoologists, the handbook breaks down individual occupations by focusing on several primary areas: type of work and conditions, required training and qualifications, current and future employment outlook, earnings potential, related occupations, and sources of additional information.

The *Occupational Outlook Handbook* can be purchased by sending a check or money order, made payable to the "Superintendent of Documents," to the U.S. Government Printing Office, Superintendent of Documents, Washington D.C. 20402. Cost is $19 for the soft cover edition and $30 for a hard cover volume. Additional information is available by calling the U.S. Government Bookstore in Pueblo, Colo., at (719) 544-3142.

Child-Care Bill Tops Labor Laws Passed in '90 Arizona Session

(Continued from page 8)

- S.B. 1176 allows an employee who works part-time for two or more Arizona State Retirement System (ASRS) members to combine the salaries in order to qualify for membership in ASRS. The legislation also closes a loophole in the current law to prevent retired ASRA members who are receving benefits from returning to work full-time for an ASRS member.

- H.B. 2263 extends the time school districts have to pay wages due to discharged teachers — from three to 10 calendar days — and makes changes in the disciplinary processes regarding certified teachers.

  Of course, not all bills that are introduced in the Legislature see the light of a committee hearing or a floor vote. Among failing legislation during the 1990 session were bills that would have:

- limited to eight the number of hours per day underground mine workers could work, with few exceptions (e.g., emergencies), and given penalties to companies and supervisors violating the law's provisions.

- eliminated the taxation of overtime wages which, according to the bill's sponsors, would give employees more income and thus lead to increased spending and sales tax revenue, and thereby offset losses of income tax revenue for the state.

- allowed only one other level of government regulation (e.g., federal) when a business is subject to rules by the state Department of Environmental Equality.

- exempted businesses of fewer than 75 employees, and who have not offered group health insurance during the last six months, from providing some mandated benefits and services in health care policies (e.g., limiting the type of practitioners an employee can visit for certain illnesses).

—Brent Fine
Arizona LMI Newsletter Editor

Arizona Labor Market Newsletter
LABOR MARKET INFORMATION PUBLICATIONS
Site Code 733A
P.O. Box 6123
Phoenix, Arizona 85005

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, $300

ADDRESS CORRECTION REQUESTED

POSTAGE & FEES PAID
EMPLOYMENT SECURITY MAIL
LAB 449
FIRST CLASS MAIL

If you do NOT desire to continue receiving this publication, please check here ☐ and ve.

If your address has changed, please indicate change and return this cover to the adc

This periodical is issued and printed by the Arizona C y as authorized by the Wagner-Peyser Act and is paid out U.S. Department of Labor.

Reproduction of this publication for commercial use is prohibited by Section 39-121, Arizona Revised Statutes. Permission to reprint this publication, or parts of it, for nonprofit use may be granted upon written request, if credit will be given citing this publication and the Arizona Department of Economic Security.

S0465-1 A

NEWSLETTER

Vol. XIV No. 8
August 1990

Unemployment Rate

Seasonally Adjusted
June *

ARIZONA	–	5.3%
Maricopa Co.	–	4.3
Pima Co.	–	4.5
United States	–	5.2

Consumer Price Index

U.S. – June 1990
Base = 1982-84

Wage Earner/Clerical Worker	–	128.3
% Chg. Year Ago	–	4.5
All Urban	–	129.9
% Chg. Year Ago	–	4.7

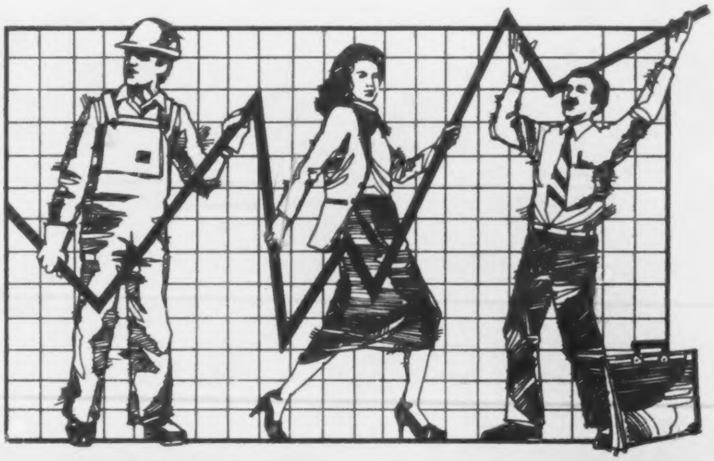
Phoenix – 2nd Qtr 1990
Base = 1982-84

All Urban	–	131.8
% Chg. Year Ago	–	4.7

Tucson – 2nd Qtr 1990
Base = 1982-84

All Urban	–	127.5
% Chg. Year Ago	–	1.8

* Preliminary



Forecast Update

'90-'91

Research Administration Issues Adjusted Employment Projections

Inside This Issue **Page**

Arizona Job Forecast Remains Bright 2
Oil Price, Other Variables Affect State Economy 3
Mass-Layoff Data for '90 Give Mixed Signals 6
The Arizona Labor Force in June 7
Arizona Labor Force Statistics 8
New Developments 13

DES Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency

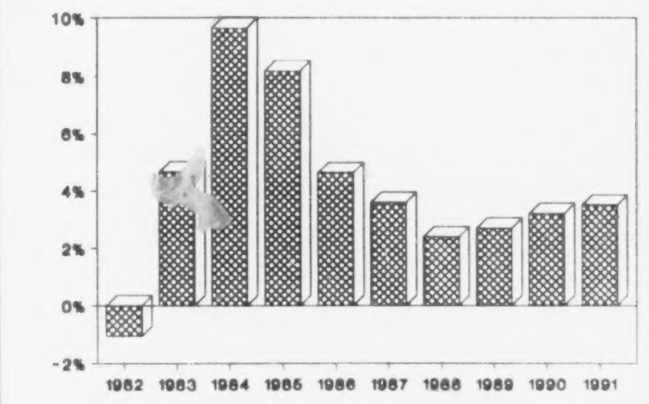
Despite Stormy Signs, Arizona Outlook Remains Bright

Employment Growth Moderately Strong in First Half of Year, Predicted to Grow 3.5% in '91

Preliminary wage and salary employment figures for the first half of 1990 confirm that Arizona's economy continued to expand at a healthy pace and also suggest the possibility of even better times ahead.

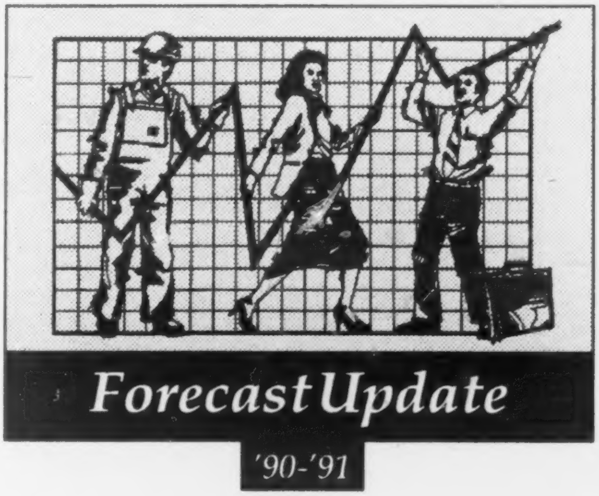
Despite the recent pace of employment growth in Arizona — up 3.4 percent from June 1989 to June 1990 — there is concern that the national economy may be faltering. News about stagnant manufacturing growth, defense-spending cuts, weak home sales, inflation concerns, higher interest rates, the budget deficit, the savings and loan debacle, and tension in the Persian Gulf would appear to portend tough times ahead for the nation as a whole.

Arizona's economy does not exist in a vacuum; a downturn on the national front will certainly affect performance in the state. However, the doomsayers will likely not prevail, as the consensus is that the end result will be continued economic expansion for both Arizona and the nation. A recession will probably be averted, at least over this forecast horizon.



Source: *Arizona Department of Economic Security, Research Administration, August 1990*

Figure 1. **Arizona Wage and Salary Employment Growth Rates, Actual (1982-89) and Projected (1990-91)**



The updated forecast calls for annualized wage and salary growth of 3.2 percent in 1990, an addition of 47,200 jobs statewide. In 1991, Arizona's economic expansion will continue with the creation of 52,400 jobs, or a growth rate of 3.5 percent.

The bulk of these jobs will be created in Maricopa County. However, when taken as a group, the non-metropolitan counties will grow at a faster rate than Maricopa County and add a greater number of jobs than Pima County.

Industries that will experience particularly strong employment growth in 1990 are services; government; transportation, communications, and public utilities (TCPU); and mining. Trade will have a moderate year, at best.

Finance, insurance, and real estate (FIRE) and manufacturing will exhibit weakness, while construction will continue to lose employment. Much will be the same in 1991, except that all industries will increase employment over the previous year's level.

The bright spot in Arizona's economy continues to be services. This industry will dominate all others in terms of numbers of jobs created and will account for more than 40.0 percent of the total. Services will create 20,800 jobs in 1990

(Continued on page 5)

Price of Oil, Other Variables Will Have Major Effect on State's Economic Health

Note: The following analysis of key variables was conducted prior to recent developments in the Persian Gulf. The impact of Mid-East tensions on the world, national and state economies has yet to be determined. However, in general, if higher oil prices are sustained, then a slowdown in economic activity will most likely result.

In forecasting Arizona's employment levels, a basic premise holds true: external events can and do influence the state's economic well-being. Examples include oil price fluctuations and natural disasters at one extreme, and at the other end, much subtler economic variables, such as the rate of inflation.

A discussion of key economic variables, or assumptions, is important because of their major role in DES, Research Administration's two-year employment projections, which are issued each February, then updated six months later.

Research Administration inputs these variables — along with employment and unemployment data — into its Arizona Employment Forecasting Model (AEFM). The AEFM is a 250-equation econometric model that simulates various economic scenarios to produce employment projections for Arizona and its major substate regions (e.g., Maricopa County).

Research Administration has chosen the WEFA Group (Wharton Econometric Forecasting Associates) as an advisor on the future course of the national economy. Following is a discussion of the national economic variables that are considered important in influencing Arizona's near-term economic future.

Real Gross National Product (GNP), continuing a trend that began in the fourth quarter of 1989 (1.1 percent annualized growth), will remain weak through 1990. WEFA expects GNP to grow at a sluggish rate of 1.6 percent in 1990, then increase slightly to 2.0 percent in 1991.

The rate of inflation, as measured by the percent change in the U.S. Consumer Price Index for all urban consumers (CPI-U), is expected to continue to aggravate an already weak economy in 1990. The CPI-U, after increasing 4.8 percent in 1989, is forecast to increase 5.0 percent in 1990, then moderate somewhat in 1991 to 4.2 percent.

The Federal Reserve, which through its policy decisions influences interest rates, is in a precarious situation. Trying to maintain tight monetary policy in order to fight inflation while keeping the U.S. economy from slipping into recession is a tightrope act, at best. Then enter possible oil price shocks.

The federal funds rate, which averaged 9.22 percent in 1989, is expected to edge downward to 8.16 percent in 1990 and 8.14 percent in 1991. The prime lending rate for major banks, which averaged 10.87 percent in 1989, is expected to average 10.01 percent in 1990 and 10.13 percent in 1991.

Key Variables

— Consumer Spending

— Dollar

— Gross National Product

— Inflation

— Interest Rates

— Oil Prices

As evidenced by the escalating tension in the Persian Gulf, the price of oil is a major factor in the world economy. WEFA had expected the refiners' acquisition cost (RAC) for a barrel of oil, which averaged $18.00 in 1989, to average $17.60 in 1990 and decrease slightly to $17.20 in 1991. WEFA will most likely adjust upward the RAC forecast in the months ahead.

The real value of the dollar, as measured by the Morgan Guaranty 40-country index, gained 4.4 percent in 1989. However, the value of the dollar is forecast to decline 2.9 percent in 1990 and then slide another 2.5 percent in 1991.

Consumer spending is expected to remain weak over the forecast horizon. After advancing 2.7 percent in 1989, consumer spending is forecast to increase a paltry 1.7 percent in 1990, then accelerate somewhat in 1991 to 2.0 percent.

—DES, Research Administration

Table 1. **Arizona and Maricopa, Pima and Non-metropolitan Counties' Wage and Salary Employment, Actual (1989) and Projected (1990-91) (In Thousands)**

ARIZONA

	1989	Growth Rate	1990	Growth Rate	1991	Growth Rate
Labor Force	1,706.0	2.8%	1,730.0	1.4%	1,777.3	2.7%
Unemployment	89.0	-14.4%	91.8	3.1%	96.9	5.6%
Unemployment rate		5.2%		5.3%		5.5%
Total Employment	1,617.0	3.9%	1,638.2	1.3%	1,680.4	2.6%
Total Wage and Salary Employment	1,457.2	2.7%	1,504.4	3.2%	1,556.8	3.5%
Manufacturing	188.0	-0.5%	188.5	0.3%	191.2	1.4%
Mining	12.2	2.5%	12.9	5.7%	13.4	3.9%
Construction	85.9	-8.3%	82.7	-3.7%	82.9	0.2%
TCPU*	76.7	3.5%	80.5	5.0%	83.9	4.2%
Trade	366.7	4.4%	379.1	3.4%	393.6	3.8%
FIRE**	92.6	-1.7%	93.9	1.4%	95.7	1.9%
Services	389.0	5.7%	409.8	5.3%	431.3	5.2%
Government	246.1	3.8%	257.0	4.4%	264.9	3.1%

MARICOPA COUNTY

	1989	Growth Rate	1990	Growth Rate	1991	Growth Rate
Labor Force	1,060.7	2.8%	1,072.1	1.1%	1,101.2	2.7%
Unemployment	45.4	-13.5%	47.1	3.7%	49.1	4.2%
Unemployment rate		4.3%		4.4%		4.5%
Total Employment	1,015.3	3.7%	1,025.0	1.0%	1,052.1	2.6%
Total Wage and Salary Employment	963.2	2.6%	994.1	3.2%	1,028.4	3.5%
Manufacturing	139.3	0.7%	140.0	0.5%	141.5	1.1%
Mining	0.9	28.6%	1.0	11.1%	1.1	10.0%
Construction	57.9	-9.8%	54.9	-5.2%	54.9	0.0%
TCPU*	53.6	4.3%	56.7	5.8%	59.4	4.8%
Trade	247.6	3.9%	255.8	3.3%	265.3	3.7%
FIRE**	74.3	-0.8%	75.3	1.3%	76.6	1.7%
Services	262.7	6.0%	277.5	5.6%	292.9	5.5%
Government	126.8	3.2%	132.9	4.8%	136.8	2.9%

PIMA COUNTY

	1989	Growth Rate	1990	Growth Rate	1991	Growth Rate
Labor Force	316.0	0.7%	318.5	0.8%	326.7	2.6%
Unemployment	14.1	-12.4%	13.5	-4.3%	14.7	8.9%
Unemployment rate		4.5%		4.2%		4.5%
Total Employment	301.9	1.4%	305.0	1.0%	312.0	2.3%
Total Wage and Salary Employment	250.0	0.2%	255.4	2.2%	262.7	2.9%
Manufacturing	28.0	-7.6%	26.9	-3.9%	27.0	0.4%
Mining	2.1	10.5%	2.3	9.5%	2.4	4.3%
Construction	15.1	-12.2%	14.6	-3.3%	14.7	0.7%
TCPU*	9.5	1.1%	9.6	1.1%	9.7	1.0%
Trade	58.5	2.3%	60.0	2.6%	61.8	3.0%
FIRE**	11.4	-7.3%	11.6	1.8%	11.9	2.6%
Services	71.8	3.5%	74.8	4.2%	77.6	3.7%
Government	53.7	3.9%	55.7	3.7%	57.6	3.4%

NON-METROPOLITAN COUNTIES

	1989	Growth Rate	1990	Growth Rate	1991	Growth Rate
Labor Force	329.3	4.6%	339.3	3.0%	349.4	3.0%
Unemployment	29.5	-16.7%	31.1	5.4%	33.1	6.4%
Unemployment rate		9.0%		9.2%		9.5%
Total Employment	299.8	7.3%	308.2	2.8%	316.3	2.6%
Total Wage and Salary Employment	244.0	5.4%	254.9	4.5%	265.6	4.2%
Manufacturing	20.7	1.5%	21.6	4.3%	22.6	4.6%
Mining	9.2	-1.1%	9.6	4.3%	9.9	3.1%
Construction	12.9	4.9%	13.1	1.6%	13.4	2.3%
TCPU*	13.6	2.3%	14.3	5.1%	14.7	2.8%
Trade	60.6	8.8%	63.3	4.5%	66.4	4.9%
FIRE**	6.9	-1.4%	7.1	2.9%	7.3	2.8%
Services	54.5	7.3%	57.5	5.5%	60.9	5.9%
Government	65.6	4.8%	68.4	4.3%	70.5	3.1%

***TCPU = Transportation, Communications, and Public Utilities; **FIRE = Fire, Insurance, and Real Estate**

NOTE: Totals may not add due to rounding

Source: Arizona Department of Economic Security, Research Administration, August 1990

(Continued from page 2)

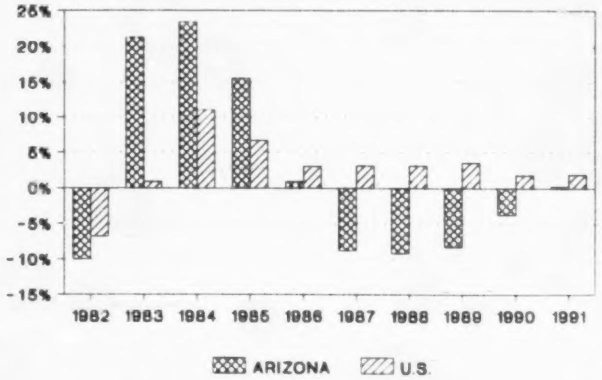
and 21,500 in 1991, with growth rates for the respective years of 5.3 and 5.2 percent.

Government will expand 4.4 percent in 1990, creating 10,900 jobs. Much of 1990's robust growth is the result of the federal government's hiring of census workers, although school employment will also contribute. Govern3ment's employment growth in 1991 will drop back to normal historical levels, coming in at 3.1 percent (7,900 jobs).

While the public utilities sector remains weak, the transportation industry will more than compensate with airline expansion. Research Administration forecasts TCPU will add 3,800 jobs in 1990 (5.0 percent growth), but will slow somewhat in 1991, adding 3,400 jobs (4.2 percent growth).

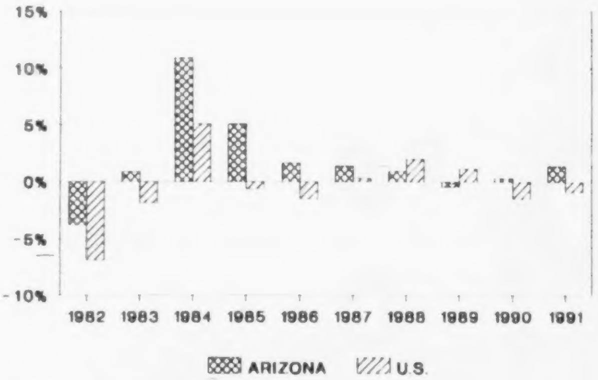
After many lean years in the 1980s, the mining industry seems to be healthy again. The price of copper has remained relatively high and has resulted in record profits for some firms.

Although employment in mining will not likely attain levels experienced a decade ago, the industry will continue to expand. Mining will add 700 jobs in 1990 and 500 in 1991, growing 5.7 percent and 3.9 percent in each respective year.



Source: *Arizona Department of Economic Security, Research Administration, August 1990*

Figure 3. **Arizona vs. U.S. Construction Employment Growth Rates, Actual (1982-89) and Projected (1990-91)**



Source: *Arizona Department of Economic Security, Research Administration, August 1990*

Figure 2. **Arizona vs. U.S. Manufacturing Employment Growth Rates, Actual (1982-89) and Projected (1990-91)**

Consumer spending has decreased slightly in 1990 and, as a result, so has the rate of growth in trade. Trade will add 12,400 jobs in 1990, an increase of 3.4 percent. Trade's growth in 1991 will be slightly higher at 3.8 percent (14,500 jobs).

Employment in FIRE remains weak as do real estate prices in much of Arizona. With the Resolution Trust Corp. continuing to wrestle with properties of defunct savings and loans, the prospects for growth are not high.

The insurance sector, however, is bolstering overall FIRE performance. FIRE will add 1,300 jobs in 1990 (1.4 percent growth), then expand by 1,800 jobs in 1991 (1.9 percent growth).

Highly publicized defense manufacturing layoffs paint a poor picture of manufacturing in Arizona. The state, however, is fortunate because other areas of the country are much more vulnerable to these types of cutbacks.

Manufacturing will produce a meager 500 jobs in 1990, growing 0.3 percent. But the outlook for 1991 is better with growth of 1.4 percent (2,700 jobs).

(Continued on page 6)

(Continued from page 5)

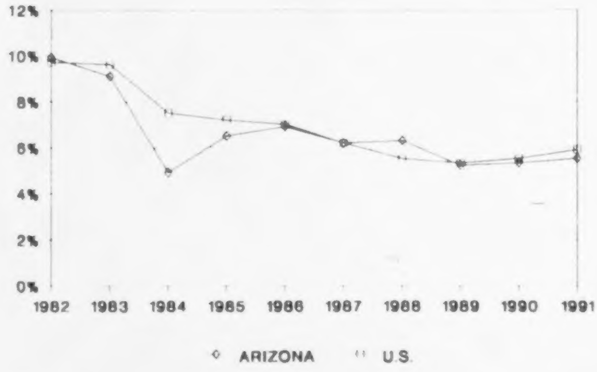
Construction continues to experience a downward spiral, although at a diminishing rate. This troubled industry is plagued by many problems without any solutions on the horizon. Nothing short of a population explosion or a collapse in interest rates will produce a recovery for construction employment.

Construction will lose 3,200 jobs in 1990 and then stabilize in 1991 with a nominal increase of 200 jobs. That translates into a 3.7 percent employment decline and 0.2 percent increase in 1990 and 1991, respectively.

Finally, the unemployment rate in Arizona will increase slightly over 1989 levels, averaging 5.3 percent in 1990 and 5.5 percent in 1991.

All in all, Arizona's outlook for this year and next remains positive. However, dynamic changes in the world economy may very well result in slower growth for both the state and the nation.

—Marc A. Marra
RA Economist



Source: *Arizona Department of Economic Security, Research Administration, August 1990*

Figure 4. **Arizona vs. U.S. Unemployment Rates, Actual (1982-89) and Projected (1990-91)**

Mass-Layoff Actions in State Up in '90, But Number of Separations Drops

Note: The following story is a follow-up to an article in the July 1990 Arizona LMI Newsletter. Additional information on Arizona and U.S. mass-layoff events and the Mass Layoff Statistics (MSL) program can be found in that issue.

Through the first half of 1990 the number of mass-layoff events in Arizona has risen more than 20 percent over the same period in 1989, but the total number of workers losing employment from these actions has actually declined 23 percent, according to preliminary data compiled by DES, Research Administration.

At the end of June, 59 mass-layoff events had been reported for the year, compared to 49 for the first six months of 1989. The severity of layoff actions though June of this year, however, was much less than in 1989, with a total of 9,820 workers losing their jobs due to mass-layoff events compared to 12,076 last year.

Data collected on mass layoffs in Arizona by Research Administration is part of the Mass Layoff Statistics (MLS) program conducted by the U.S. Department of Labor's Bureau of Labor Statistics (BLS). The MLS program, a federal-state cooperative project, covers layoffs of at least 31 days in duration, involving 50 or more individuals who filed initial claims for unemployment insurance during a consecutive three-week period.

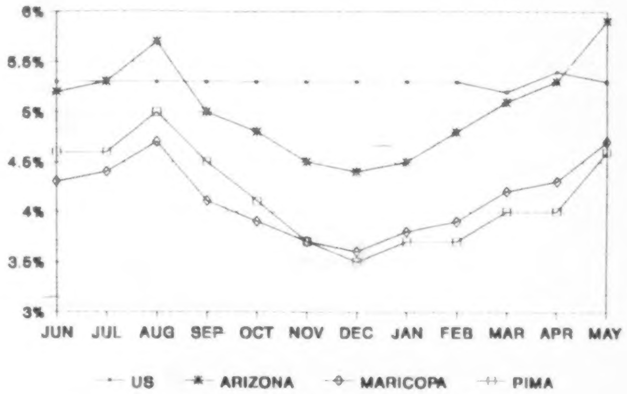
A closer look at Arizona data shows that mass-layoff actions increased for the first half of 1990 over the same period in 1989 in both the agricultural (23 vs. 16) and non-agricultural sectors (35 vs. 33). But while the number of separations increased slightly in agricultural businesses this year (5,047 vs. 4,737), there was a significant drop-off in separations in the non-agricultural sector (4,773 vs. 7,339).

Among industries in the non-agricultural sector, manufacturing had the greatest change in terms of mass-layoff events — dropping one-third (8 in '90 vs 12 in '89) — and the number of separations due to those events had an even steeper percentage decline, falling from 1,487 to 632.

In non-manufacturing industries, there was a 42 percent increase (27 vs. 19) in the number of mass-layoff actions this year. But those events were far less severe and translated into a 41 percent drop in number of separations. Separations in non-manufacturing businesses declined 1,711 during the first six months of this year (4,141 vs. 5,852), primarily because of a drop of about 1,000 in the services sector.

The Arizona Labor Force in June

Arizona's seasonally adjusted unemployment rate fell for the first time in 1990, dropping one-half of one percent in June to 5.3 percent. This compares favorably with the national rate of 5.2 percent.



Source: *Arizona Department of Economic Security, Research Administration, July 1990*

Figure 1. **U.S., Arizona, and Maricopa and Pima Counties' Unemployment Rates, July 1989–June 1990**

But while most of the state did enjoy lower jobless rates in June, Greenlee, LaPaz, and Mohave counties saw their rates increase. And double-digit unemployment was still occurring in Apache, Navajo, Santa Cruz, and Yuma counties.

The ranks of both the employed and unemployed grew, pushing Arizona's total civilian labor force up 26,100. Total employment for June increased a healthy 17,400. The sizable increase in employment, however, is not supported by the change in total non-agricultural wage and salary employment, which showed a decline of 34,000.

An explanation for the apparent discrepancy lies in the difference between the residence-based household survey of total employment and unemployment, and the job-based business establishment survey of wage and salary employment.

As students leave school at the end of the school year, they are counted among the total employed if they look for work and find a job, work as unpaid family members in their parents' business for 15 or more hours a week, or perform other gainful work (e.g., cutting lawns).

Students are counted among payroll employed (non-agricultural wage and salary employment) *only* if they work for a wage or salary, not as unpaid family or self-employed workers. Much of June's total employment growth appears to be related to these latter two groups.

The large loss in payroll employment was due mainly to a normal seasonal drop in government employment — most of which came from a reduction in school personnel during summer recess. Without the loss in government employment, non-agricultural wage and salary employment would show an increase of 4,300.

The only other sectors to show employment declines in June were finance, insurance, and real estate (FIRE) and retail trade, with both dropping 700. The decrease in FIRE employment came in a month when it normally has a gain, while the drop in retail trade was 300 more than the normal decline. Eating and drinking places and food stores showed greater-than-normal declines for the month.

Manufacturing and services were the big winners employment-wise in June. Manufacturing gained 1,500, when gains of 1,000 are normal.

Both durable goods and non-durable goods experienced greater-than-normal gains, with manufacturing up nine-tenths of a percent over June 1989. Maricopa County had a 1,000 gain in manufacturing employment, with Pima County and the non-metropolitan counties gaining 200 and 300, respectively.

While Maricopa County and the state as a whole showed over-the-year increases in manufacturing employment, Pima County's manufacturing employment was down 2.2 percent

(Continued on page 12)

Arizona Labor Fo
June 1990

	ARIZONA				
				Amount	Change
	June* 1990	May 1990	June 1989	May - June	1989 - 1990
TOTAL CIVILIAN LABOR FORCE**	1752.0	1725.9	1724.0	+26.1	+28.0
Total Unemployment	101.5	92.8	98.3	+8.7	+3.2
Rate	5.8	5.4	5.7	—	—
Rate (Sea. Adj.)***	5.3	5.8	5.2	—	—
Total Employment	1650.5	1633.1	1625.7	+17.4	+24.8

Note: **Above Labor Force Statistics Should Not Be Used for Economic Assistance Programs**

NONAGRICULTURAL WAGE AND SA

	June* 1990	May 1990	June 1989	May - June	1989 - 1990
TOTAL WAGE AND SALARY	1480.2	1514.2	1431.5	-34.0	+48.7
Manufacturing	189.6	188.1	188.0	+1.5	+1.6
Durable Goods	143.8	142.7	142.9	+1.1	+0.9
Stone, Clay, and Glass	7.4	7.4	7.3	0.0	+0.1
Primary and Fabricated Metals	15.5	15.6	15.7	-0.1	-0.2
Primary Metals	7.7	7.7	7.9	0.0	-0.2
Fabricated Metals	7.8	7.9	7.8	-0.1	0.0
Machinery	59.1	58.9	60.8	+0.2	-1.7
Aircraft and Missiles	27.6	27.3	25.9	+0.3	+1.7
Lumber and Wood Products (Excluding Furniture)	8.0	7.7	7.7	+0.3	+0.3
Nondurable Goods	45.8	45.4	45.1	+0.4	+0.7
Food and Kindred Products	10.1	9.9	9.6	+0.2	+0.5
Printing and Publishing	16.8	16.8	16.7	0.0	+0.1
Mining and Quarrying	12.9	12.7	12.2	+0.2	+0.7
Copper Mining	9.9	9.7	9.3	+0.2	+0.6
Construction	84.4	82.6	86.9	+1.8	-2.5
Trans., Communications, & Public Utilities	80.4	80.4	76.8	0.0	+3.6
Transportation	45.0	44.8	40.9	+0.2	+4.1
Communications and Public Utilities	35.4	35.6	35.9	-0.2	-0.5
Trade	375.9	376.3	364.0	-0.4	+11.9
Wholesale Trade	78.5	78.2	75.0	+0.3	+3.5
Retail Trade	297.4	298.1	289.0	-0.7	+8.4
General Merchandise and Apparel	44.9	44.9	43.8	0.0	+1.1
Food Stores	48.2	48.4	48.4	-0.2	-0.2
Automotive and Service Stations	36.3	35.7	35.8	+0.6	+0.5
Eating and Drinking Places	106.4	107.3	102.0	-0.9	+4.4
Finance, Insurance, and Real Estate	93.8	94.5	92.4	-0.7	+1.4
Services and Miscellaneous	410.0	408.1	389.1	+1.9	+20.9
Hotels and Lodging Places	46.1	46.4	42.1	-0.3	+4.0
Business Services	76.2	75.3	73.7	+0.9	+2.5
Health Services	101.3	100.8	96.4	+0.5	+4.9
Government	233.2	271.5	222.1	-38.3	+11.1
Federal	50.3	51.3	44.1	-1.0	+6.2

* Preliminary

** Labor force, unemployment, and employment are reported by place of residence.

*** Normal seasonal variations have been eliminated to reflect underlying economic trends.

**** Business Services undergoes a series break between December 1987 and January 1988 as a result of the 1987 SIC realignment.

ce and Employment

n Thousands)

MARICOPA COUNTY					PIMA COUNTY				
			Amount Change					Amount Change	
June* 1990	May 1990	June 1989	May - June	1989 - 1990	June* 1990	May 1990	June 1989	May - June	1989 - 1990
1090.3	1068.1	1076.4	+22.2	+13.9	317.6	314.5	322.0	+3.1	-4.4
50.2	47.0	48.6	+3.2	+1.6	14.2	12.9	15.6	+1.3	-1.4
4.6	4.4	4.5	—	—	4.5	4.1	4.8	—	
4.3	4.8	4.3	—	—	4.2	4.5	4.6	—	
1040.1	1021.1	1027.8	+19.0	+12.3	303.4	301.6	306.4	+1.8	-3.0

ARY EMPLOYMENT BY PLACE OF WORK

981.9	996.4	951.1	-14.5	+30.8	249.6	257.7	245.2	-8.1	+4.4
140.5	139.5	139.6	+1.0	+0.9	27.2	27.0	27.8	+0.2	-0.6
107.9	107.2	107.0	+0.7	+0.9	21.6	21.5	22.3	+0.1	-0.7
4.5	4.5	4.5	0.0	0.0					
10.5	10.7	10.8	-0.2	-0.3					
48.6	48.5	49.8	+0.1	-1.2					
32.6	32.3	32.6	+0.3	0.0	5.6	5.5	5.5	+0.1	+0.1
6.8	6.7	6.4	+0.1	+0.4					
12.1	12.1	12.1	0.0	0.0					
1.0	0.9	0.9	+0.1	+0.1	2.3	2.2	2.1	+0.1	+0.2
55.3	54.3	58.3	+1.0	-3.0	15.1	14.7	15.5	+0.4	-0.4
56.7	56.3	53.6	+0.4	+3.1	9.6	9.6	9.6	0.0	0.0
33.8	33.7	30.3	+0.1	+3.5	4.9	4.9	4.9	0.0	0.0
22.9	22.6	23.3	+0.3	-0.4	4.7	4.7	4.7	0.0	0.0
253.0	253.5	245.7	-0.5	+7.3	59.3	59.5	57.7	-0.2	+1.6
62.9	62.4	60.2	+0.5	+2.7	7.9	7.9	7.6	0.0	+0.3
190.1	191.1	185.5	-1.0	+4.6	51.4	51.6	50.1	-0.2	+1.3
27.9	28.0	27.4	-0.1	+0.5	6.7	6.7	7.1	0.0	-0.4
30.9	31.1	30.9	-0.2	0.0	7.7	7.8	8.0	-0.1	-0.3
23.1	22.8	22.8	+0.3	+0.3	5.8	5.7	5.7	+0.1	+0.1
67.4	68.2	64.8	-0.8	+2.6	19.8	20.0	19.0	-0.2	+0.8
75.1	75.9	74.1	-0.8	+1.0	11.6	11.6	11.4	0.0	+0.2
276.7	275.9	262.8	+0.8	+13.9	74.5	74.5	70.9	0.0	+3.6
28.2	28.6	25.0	-0.4	+3.2	6.7	6.9	6.2	-0.2	+0.5
61.4	60.6	60.2	+0.8	+1.2	10.1	10.1	9.6	0.0	+0.5
65.7	65.4	63.0	+0.3	+2.7	21.8	21.8	20.6	0.0	+1.2
123.6	140.1	116.1	-16.5	+7.5	50.0	58.6	50.2	-8.6	-0.2

NOTE: Prepared by the Arizona Department of Economic Security, Research Administration, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Nonmetropolitan Counties
Labor Force and Employment
June 1990

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
CIVILIAN LABOR FORCE*	13,375	37,150	46,675	13,250	8,300	2,900	6,725
Total Unemployment	2,750	2,475	3,800	1,250	625	250	500
Rate	20.6%	6.7%	8.1%	9.4%	7.5%	8.6%	7.4%
Rate (Seas. Adj.)**	15.2%	6.2%	6.9%	9.4%	7.1%	8.1%	8.8%
Total Employment	10,625	34,675	42,875	12,000	7,675	2,650	6,225

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS

TOTAL WAGE AND SALARY	13,875	26,050	42,300	11,400	4,875	2,750	3,800
Manufacturing	825	1,275	3,425	1,500	225	25	275
Mining & Quarrying	50	175	325	1,350	0	1,700	75
Construction	475	750	2,025	425	150	75	200
T.C.P.U.	2,000	1,875	2,700	425	150	50	125
Trade	2,000	5,850	10,250	2,700	1,375	225	1,275
F.I.R.E.	450	650	725	325	125	25	100
Services & Misc.	4,650	5,200	12,175	2,250	850	150	1,050
Government	3,425	10,275	10,675	2,425	2,000	500	700

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	38,425	29,050	39,600	12,300	41,175	55,125
Total Unemployment	2,225	3,550	3,175	2,100	1,875	12,550
Rate	5.8%	12.2%	8.0%	17.1%	4.6%	22.8%
Rate (Seas. Adj.)**	5.9%	10.0%	7.2%	14.9%	4.6%	16.0%
Total Employment	36,200	25,500	36,425	10,200	39,300	42,575

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS

TOTAL WAGE AND SALARY	26,625	22,050	28,000	10,725	27,950	28,300
Manufacturing	2,525	2,025	3,900	1,025	2,250	2,550
Mining & Quarrying	50	1,225	3,775	0	850	75
Construction	3,325	1,400	600	400	2,575	1,550
T.C.P.U.	1,175	1,675	1,075	750	1,125	975
Trade	8,425	4,575	5,975	4,775	7,900	8,275
F.I.R.E.	1,225	425	825	300	975	925
Services & Misc.	6,275	5,725	4,675	1,925	7,125	6,750
Government	3,625	5,000	7,175	1,550	5,150	7,200

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities

F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Estimated Hours and Earnings of Production Workers in Selected Industries
Arizona

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	June* 1990	May 1990	June 1989	June* 1990	May 1990	June 1989	June* 1990	May 1990	June 1989
Manufacturing	413.11	409.25	405.78	40.7	40.6	40.7	10.15	10.08	9.97
Aircraft & Missiles	676.17	635.06	601.20	46.6	45.2	44.5	14.51	14.05	13.51
Food & Kindred Prod.	338.72	337.79	337.98	38.8	39.6	39.3	8.73	8.53	8.60
Primary Metals	493.72	502.93	512.45	36.9	37.9	38.1	13.38	13.27	13.45
Machinery	356.42	363.64	396.81	37.4	37.8	39.8	9.53	9.62	9.97
Copper Mining	607.47	602.48	562.72	44.7	44.3	44.1	13.59	13.60	12.76
Construction	465.21	460.49	429.16	38.8	37.9	36.4	11.99	12.15	11.79
Utilities	765.93	757.68	669.98	45.7	45.1	41.9	16.76	16.80	15.99
Retail Trade**	261.41	254.61	253.01	33.3	32.6	33.6	7.85	7.81	7.53
Wholesale Trade	383.17	380.21	371.72	38.9	39.4	38.6	9.85	9.65	9.63

Estimated Hours and Earnings of Production Workers in Selected Industries
Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	June* 1990	May 1990	June 1989	June* 1990	May 1990	June 1989	June* 1990	May 1990	June 1989
Manufacturing	436.18	426.42	428.48	41.7	41.2	41.2	10.46	10.35	10.40
Construction	474.15	464.25	446.49	38.3	37.5	36.9	12.38	12.38	12.10
Retail Trade**	273.17	265.79	269.26	33.6	33.1	34.3	8.13	8.03	7.85
Wholesale Trade	390.20	385.70	389.22	37.7	38.0	39.0	10.35	10.15	9.98

Estimated Hours and Earnings of Production Workers in Selected Industries
Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	June* 1990	May 1990	June 1989	June* 1990	May 1990	June 1989	June* 1990	May 1990	June 1989
Manufacturing	352.59	351.50	358.13	36.5	37.0	37.5	9.66	9.50	9.55
Construction	396.23	398.54	389.71	37.1	36.8	36.8	10.68	10.83	10.59
Utilities	610.34	587.76	581.98	40.5	39.5	41.1	15.07	14.88	14.16

* Preliminary.

** Excludes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs June 1990

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,752,040	1,650,518	101,522	5.8%
Apache	13,385	10,623	2,762	20.6
Cochise	37,160	34,684	2,476	6.7
Coconino	46,682	42,872	3,810	8.2
Gila	13,245	11,988	1,257	9.5
Graham	8,319	7,682	637	7.7
Greenlee	2,899	2,657	242	8.3
La Paz	6,726	6,230	496	7.4
Maricopa	1,090,315	1,040,135	50,180	4.6
Mohave	38,437	36,207	2,230	5.8
Navajo	29,060	25,498	3,562	12.3
Pima	317,591	303,409	14,182	4.5
Pinal	39,613	36,435	3,178	8.0
Santa Cruz	12,295	10,206	2,089	17.0
Yavapai	41,180	39,309	1,871	4.5
Yuma	55,136	42,585	12,551	22.8

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

The Arizona Labor Force in June

(Continued from page 7)

over June 1989. On the other hand, service-sector employment in Pima County was up 5.1 percent over the previous year, even though the county showed no gain in service employment in June.

Service employment in Arizona was up 1,900 in June, an increase of 600 over normal levels. This gain was split almost equally between Maricopa County and the non-metropolitan counties.

Construction employment in the state showed a near-average monthly gain of 1,800. Maricopa County experienced an increase of 1,000, with the other 800 jobs split almost equally between Pima and the non-metropolitan counties.

Although construction employment in Arizona has declined 2.9 percent from June 1989, this is a far cry from drops of 9 to 10 percent experienced in the prior three over-the-year periods ending in June.

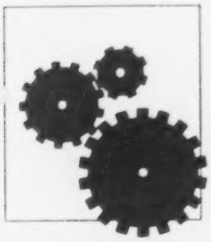
In summary, the Arizona economy continued to hold its own in June and improvements in manufacturing, construction, and service employment were an encouraging sign.

—Dennis Doby
RA Economist

New Developments

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the Arizona LMI Newsletter is not responsible for incorrect information reported by these sources.

MANUFACTURING — Up to 175 employees at **Motorola's Government Electronics Group** in Scottsdale will be laid off by the end of the year due to expected cutbacks by the Defense Department. One hundred temporary contractors at the Motorola unit — which makes communications systems and radar equipment used by ships, aircraft, and satellites — will also lose employment.



Internac Aviation, which specializes in rebuilding and repairing commercial aircraft, has brought back 95 employees who were laid off in February and July. The Dallas-based company, which operates out of the Phoenix-Goodyear Municipal Airport, currently has a work force of 330, down from about 500 at the beginning of 1990.

Construction is under way on a 6,200-square-foot office building in Yuma that will house the administrative offices for **SANA U.S.**, an Osaka, Japan-based company that will operate a food-processing plant in nearby San Luis, Mexico, that will employ 100 workers beginning in September. A division of Naigai Foods Ltd., SANA U.S. will send vegetables and beef from Yuma and Imperial (Calif.) counties to the Mexico plant for processing, then transport the product to Los Angeles to be quick-frozen and shipped to Japan.

Plans to lay off 17,000 workers worldwide by **McDonnell Douglas Corp.** — 800 of which will come from its helicopter plant in Mesa — should not affect employment in Yuma, where the company is testing the $90 million MD-11 passenger jet. The St. Louis-based aircraft company employs between 200 and 500 workers at the Yuma facility depending on the stage of testing.

Expansion of the marketing headquarters of **Rodel Products Corp.** in Scottsdale is expected to lead to the doubling of its current sales and marketing staff of 30 within the next four years. Rodel, which specializes in the manufacture of semiconductor wafer-polishing products, expects its sales to rise rapidly as new markets open in Europe and the Soviet Union.

Defense-spending cuts have led to the layoff of an unspecified number of workers at **ICI Composites** in Tempe, where 225 people are employed. London-based ICI designs and manufactures structurally different materials that are used in products ranging from golf clubs to the Stealth bomber. One area affected by the cutbacks at the Tempe facility is research and development.

CONSTRUCTION — About 450 homes will be developed on a 110-acre site in south Phoenix by three Valley developers, **Continental Homes Inc., Homes by Polygon, and Knoell Homes**. Construction will begin on lots ranging from 5,000 to 8,000 square feet in three or four months. The site is bounded on the east and west by 48th and 44th streets, respectively, and on the north and south by the Galveston Street alignment and Chandler Boulevard, respectively.

TRADE — Ground has been broken on **Saturn of Glendale**, the first of at least six Valley dealerships for General Motors' new Saturn automobile. The dealership, which will be located at 4610 W. Camelback Road and employ 65 workers, is owned by **Grubb Automotive Inc.**, which also runs Ford and Chevrolet outlets in the Phoenix area. Metropolitan Phoenix will be one of the first test markets for the widely awaited GM car that has been in development for eight years and is expected to compete against foreign imports.

Dillard Department Stores has selected a site in Gilbert for its Western regional distribution center. The **400,000-square-foot facility** will replace Dillard's current distribution center on Priest Drive in Tempe. No information is available on the move's effect on employment.

National retailer **Mervyn's**, which this fall is opening its 12th store in Arizona (Superstition Spring's Mall in Mesa), has announced plans for a new Peoria location — at 83rd Avenue and Bell Road — that will open in 1992.

Four retailers have signed agreements to lease space in the 575,000-square-foot second phase of the **Scottsdale Pavilions** shopping center, Indian Bend and Pima roads. The new tenants are: Linens Plus, which features bedding sup-

(Continued on page 14)

(Continued from page 13)

plies; two athletic stores, Van's Pro Shop and Sports Heroes; and a gourmet coffee shop, Romancing The Bean.

Los Arcos Mall in Scottsdale has leased space to 18 new stores after undergoing extensive renovation the past year. Among retailers planning to open locations this year are: Merle Harmons' Fan Fair, Shoe Gallery, P.J.'s Boutique, Rave, T-Shirts Plus, Things Remembered, Attivo Men's Apparel, and Radio Shack.

Six stores have committed to space in the 145,000-square-foot **Talavi Towne Center**, Bell Road and 59th Avenue, which will be anchored by a Wal-Mart. Retailers expecting to open in November include: Peach Tree Fashions, a ladies' clothier; Payless Shoe Source; Bread of Life, a Christian bookstore; two restaurants, Pail-O-Pasta and Captain Bills; and hairstyler Cost Cutters.

A distributor of small-airplane parts, **KRN Inc.**, is moving from Tempe to Mesa as part of plans to start providing maintenance of general-aviation aircraft. Between five and 10 employees will be added to KRN's payroll in the next 12 to 18 months, following the move to a 16,800-square-foot site at Falcon Field

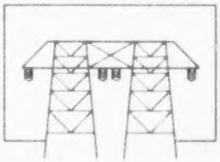
The opening of a wholesale auto-parts warehouse in Phoenix will lead to employment of about 100 workers. Scheduled to begin business in mid-September at 2701 W. Thomas Road, the San Diego-based **Auto Parts Club Inc.** will sell name-brand parts, accessories, and industrial supplies. The Auto Parts Club will primarily cater to individuals and businesses that pay a membership fee, but will also sell merchandise to anyone in the general public who pays a 10 percent premium.

SERVICES — **Thomas-Davis Medical Center** of Tucson expects its facilities in Maricopa County to hire an additional 100 physicians and 600 staff workers during the next five years. Thomas-Davis has opened offices this year in Ahwatukee, Chandler and Scottsdale, and plans to open a Moon Valley medical center in November. And the company, which also has an office in Tempe, says its expansion plans also call for a new location in the northwest part of Tucson.

The clanging of slot machines at the recently opened **Flamingo Hilton Laughlin** will mean the clanging of change in the pockets of 1,900 new employees, of which about 80 percent are expected to live across the Colorado River in or around Bullhead City. The Flamingo Hilton is expected to bring an additional 650 spinoff jobs to the area (primarily in Arizona) as well as increase the population by 4,500. Bullhead City's population has skyrocketed from 10,000 to an estimated 25,000 in the past 10 years.

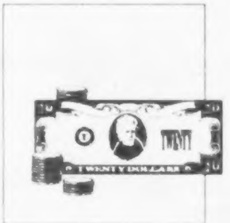
Negotiations have ended between **Sky Harbor International Airport** and **Tishman Development and Acquisition Associates** to build a $30 million, 250- to 300-room hotel on a seven-acre site near Terminal 1 where a Travelodge once stood. Length of a lease was the major stumbling block between the parties.

Visa U.S.A. is considering Tempe as a site for a **200-employee, merchant-service operation** that would be used to help businesses when problems occur with Visa credit-card transactions. The merchant-assistance facility, which will need 20,000 to 25,000 square feet of space, would be run by Tempe-based **P.O.S. Systems Co.**



TRANSPORTATION, COMMUNICATIONS, AND PUBLIC UTILITIES — **Arizona Public Service Co.** (APS), the state's largest utility, has announced plans for $770 million in budget cuts through 1995, which will mean a significant reduction in its work force of 7,700. The cuts, which also affect equipment and construction, come on top of a $578 million budget cut announced in June. The planned reductions come at a time when APS' parent company, Pinnacle West Corp., is facing a takeover challenge from Oregon-based PacifiCorp. as well ss trying to offset losses from investments in a failed thrift and a uranium mining company.

Touch Tone America, a discount, long-distance telephone company, is moving its corporate headquarters to Phoenix from New York City. Touch Tone, which will located at 11801 N. Tatum Blvd., provides service to medium- and small-size companies. A staff of seven will be hired and trained by the end of the year.



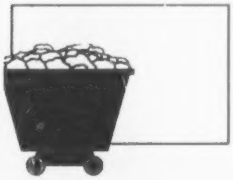
FINANCE, INSURANCE, AND REAL ESTATE — San Diego-based **Great American Bank** has sold all but one of its 130 California branches to Wells Fargo & Co. of San Francisco and is moving its retail-banking headquarters to Arizona. Great American, which expects the infusion of cash from the sale to help offset significant recent losses, will still maintain 81 branches, 56 in Arizona. The bank has not announced a location for its office or

(Continued on page 15)

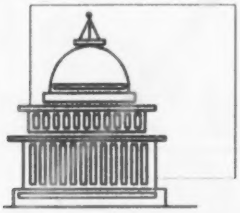
(Continued from page 14)

expected employment from the move.

Sales of new homes in the Phoenix metropolitan area in the first half of 1990 were 2 percent below the levels of 1989 — considered one of the worst years in recent history — while used-home sales increased 19 percent, according to the *Phoenix Housing Market Letter*. Continental Homes Inc. and UDC Homes far outdistanced their nearest competitors in new-home sales the first six months of 1990 with 564 and 514, respectively, out of a total of 5,631 for the county. The median price of a new home in the Valley is about $100,000, compared to a used home price of around $80,000.



MINING — Union copper workers at **Asarco Inc.'s Ray mine** near Tucson ratified a three-year agreement in late July that will give employees an immediate $2-an-hour increase and an additional 25 cents per hour in both 1991 and 1992. Asarco's 700 mine workers, who went on strike July 1, will now make between $10 and $16 per hour. The settlement follows the lead of two other major copper mining companies — Phelps Dodge and Kennecott — that reached agreements with miners in New Mexico and Utah earlier this year.



GOVERNMENT — An Air Force study shows the closure of **Davis-Monthan Air Force Base** (see "New Developments," July 1990) would cause the Pima County area to lose more than 10,000 jobs, 15,000 people, and $250 million in local spending. The Defense Department is planning to close one of three sites that house the A-10 attack jet, with a base in Myrtle Beach, S.C., being the top choice.

Due to the high number of bankruptcies in Arizona (see "MISCELLANEOUS"), the federal government will hire nearly 30 desk clerks and administrators in the Phoenix and Tucson areas by the end of September, while two or three other individuals will be hired to establish a court division in Yuma County. When the expansion is complete, the **state's federal bankruptcy court system** will trail only Los Angeles, Chicago, and San Francisco in size, having nearly 120 employees.

MISCELLANEOUS — In its August-September issue, *World Trade* magazine rated Tucson as one of the Top 10 cities in North America for locating international companies. The high number of maquiladoras operating in the immediate area and the opening of an Asian trade office, along with Tucson's rating in five other standard measures, make the Old Pueblo attractive to international business, the magazine says. Maquiladora, Spanish for assembly plant, is the "twin-plant" concept where U.S. companies farm out some assembly work in Mexico for goods that are manufactured in this country.

But with the good comes the bad, and according to SMR Research Corp., the **Tucson metropolitan area** ranked first, on a percentage basis, in terms of **number of bankruptcies** in 1989. Nearly 50 out of every 1,000 businesses in Tucson filed for bankruptcy, which is five times greater than the national average. As would be expected, construction and real estate companies, many of which started business during the boom period of the mid-80s, were caught in the state's slumping real estate market. Metropolitan Phoenix, meanwhile, didn't fare much better, coming in 16th in the New Jersey-based company's study.

The **Phoenix metropolitan area's 3-percent growth rate** (29,100 jobs) from the first quarter of 1989 to the first quarter of 1990 ranked the Valley 9th among the 20 largest metropolitan statistical areas (MSAs). The Southern California area of Riverside-San Bernardino was the fastest growing MSA with a growth rate of 6.4 percent.

High-tech companies in the Valley with 1,000 or fewer employees closely followed a national hiring pattern last year, according to CorpTech of Massachusetts. Phoenix-area companies enlarged staffs by an average of 17.7 percent (575 jobs), compared to a national average of 20.5 percent.

Arizonans' personal income rose 7.1 percent from the first quarter of 1989 to the first quarter of 1990, according to data released in July by the U.S. Department of Commerce's Bureau of Economic Analysis. The state's increase was slightly above the national rate of 6.9 percent, but considerably below other western states, such as Nevada (12.2 percent), which led the country, and Washington (9.6 percent), California (8.2 percent) and Utah (8.4 percent). Personal income is defined as income received from all sources less contributions for social insurance.

ARIZONA LMI NEWSLETTER
SITE CODE 733A
P.O. BOX 6123
PHOENIX, AZ 85005-6123
(602) 542-3871
Brent Fine, Editor
Linda Van Calcar, Word Processor

Arizona Labor Market Newsletter
LABOR MARKET INFORMATION PUBLICATIONS
Site Code 733A
P.O. Box 6123
Phoenix, Arizona 85005

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, $300

ADDRESS CORRECTION REQUESTED

POSTAGE & FEES PAID
EMPLOYMENT SECURITY MAIL
LAB 449
FIRST CLASS MAIL

If you do NOT desire to continue receiving this publication, please check here ☐ and return this cover to address above.

If your address has changed, please indicate change and return this cover to the address above.

This periodical is issued and printed by the Arizona Department of Economic Security as authorized by the Wagner-Peyser Act and is paid out of federal funds granted by the U.S. Department of Labor.

Reproduction of this publication for commercial use is prohibited by Section 39-121, Arizona Revised Statutes. Permission to reprint this publication, or parts of it, for nonprofit use may be granted upon written request, if credit will be given citing this publication and the Arizona Department of Economic Security.

S 0465-1 A

ARIZONA LABOR MARKET INFORMATION NEWSLETTER

Vol. XIV No. 9
September 1990

Unemployment Rate

Seasonally Adjusted
July *

ARIZONA	–	5.4%
Maricopa Co.	–	4.5
Pima Co.	–	4.2
United States	–	5.5

Consumer Price Index

U.S. – July 1990
Base = 1982-84

Wage Earner/Clerical Worker	–	128.7
% Chg. Year Ago	–	4.5
All Urban	–	130.4
% Chg. Year Ago	–	4.8

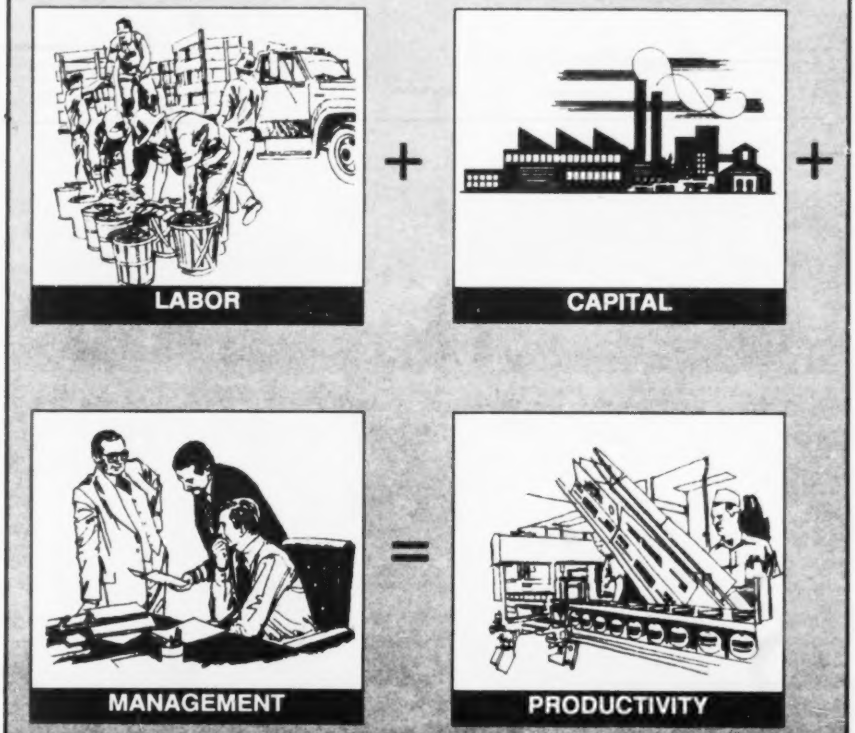
Phoenix – 2nd Qtr 1990
Base = 1982-84

All Urban	–	131.8
% Chg. Year Ago	–	4.7

Tucson – 2nd Qtr 1990
Base = 1982-84

All Urban	–	127.5
% Chg. Year Ago	–	1.8

* Preliminary



Clearing the Air

Although Synonymous with Productivity, Labor is Only One of Several Variables in BLS' Equation

Inside This Issue

	Page
Labor Not Only Variable in Productivity Measure	2
Productivity Growth in U.S. Lags Rise in Other Countries	7
BLS Reports	8
The Arizona Labor Force in July	9
Arizona Labor Force Statistics	10
News in Brief	15
New Developments	16

Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency

U.S. Labor Could be Getting Bad Rap in Productivity Debate

Other Factors — Management, Capital — Make Up Part of BLS' Measurements

Is America's labor force primarily responsible for a decline in U.S. productivity growth over the past few decades? You might assume so, judging by frequent attacks in recent years on the quality of U.S. labor.

It's not uncommon to hear or read something like the following: "If American workers don't shape up, we're all going to suffer lower living standards as global competition outpaces our productivity."

Critics of U.S. labor often cite worker laziness, diminished work ethic, and lack of skills as prevailing reasons for falling productivity. In fact, the term productivity as it is most commonly used is taken to be synonymous with *labor* productivity.

Perhaps because the Labor Department's Bureau of Labor Statistics (BLS) publishes the nation's productivity statistics, many think of productivity only in *labor* terms. A more likely reason, however, is the fact that the most commonly used measures of productivity are expressed in terms of "output per unit of labor (persons)," even though "management (also persons)" and "capital inputs" are also part of the productivity equation.[1]

To guard against confusion, BLS always publishes a caveat as a footnote to its productivity statistics. It says in part: "... Although these measures relate output to hours at work of all persons engaged in a sector, they do not measure the specific contribution of labor, capital, or other factors of production. Rather, they reflect the joint effects of many influences, including changes in technology; capital investment; level of output; utilization of capacity, energy, and materials; the organization of production; managerial skill; and the characteristics and effort of the work force."[2]

So, BLS makes it clear that many factors influence productivity. Yet, how often do you hear that this country needs to improve its *capital* or *management* productivity if it's going to keep pace with increased global competition?

Capital Productivity

Just what is capital productivity? Fundamentally, it's the ratio of *output* to *dollar of capital invested* (which includes capital stock used in production).[3] Some of the primary capital inputs are land, buildings, equipment, accounts receivable, inventory, and cash on hand.

Although the greatest improvement to capital productivity comes with technological innovation,[4] some relatively new players in capital markets — the corporate raiders and greenmailers — claim to have found another way to increase capital productivity.

These takeover groups say they have raised capital productivity of U.S. companies through their activities of leveraged buyouts, or even just the threat of leveraged buyouts (greenmail). Raiders make this claim despite increasing the raided firms' debt burdens many times.[5]

Capital productivity in this context seems to mean the dollar return on investment to raiders and stockholders, not output produced per unit of capital. In fact, each unit of output the raided companies continue to produce must come at a higher capital cost. That lowers — not raises — capital productivity.

> ***" ... how often do you hear that this country needs to improve its capital or management productivity if it's going to keep pace with increased global competition? "***

Corporate raiders merely turn equity into debt or liquidate assets, distribute part of the revenue raised to stockholders, and leave the raided firms in a weakened financial condition. Little or no use of the raised capital is put toward expanding the means of production, such as buying new and improved equipment.[6]

When one considers that the fundamental equation of macroeconomics is *Income = Output,*[7] if we as a nation are not increasing our output, we cannot expect our nation's income to rise. Even with a stable level of output, per-capita income will fall if the population is growing. Therefore, we should be looking for a means to increase "real" output and the efficiency of capital, management, and labor.

Management Productivity

At both the microeconomic and macroeconomic level, the ratio of *output* to *input* is the most fundamental measure of productivity.[8] That is, the more output a company can get per unit of input — whether it's capital, materials, or labor — the higher its productivity.

At the national level, the more output the nation can get from

(Continued on page 3)

Table 1. **Annual Indexes of U.S. Productivity in Selected Years, and Annual Average Percentage Change in Productivity by Decade and 1989**

	Output per Hour of All Persons (1977 = 100)					Percentage Change			
	1960	1970	1980	1988	1989	1960s	1970s	1980s	1989
Business	66.1	87.6	99.4	113.0	114.2	3.25	1.35	1.65	1.06
Nonfarm Business	69.5	88.4	99.0	111.1	112.1	2.72	1.20	1.47	0.90
Nonfinancial Corps	71.9	90.2	99.3	114.7	114.8	2.55	1.01	1.73	0.09
Manufacturing	60.7	80.2	101.7	136.0	138.7	3.21	2.68	4.04	1.99

Source: U.S. Department of Labor, Bureau of Labor Statistics

(Continued from page 2)

its stock of land, labor, and capital, the more productivity increases. Considering that it's management's responsibility to allocate and monitor resources for maximum productivity,[9] management may deserve some of the blame if productivity falls.[10]

It's easy to understand that one laborer with a hand shovel cannot match the productivity of another with a power shovel, regardless of the robustness of the first laborer's work. It's harder, however, to discern the relative effectiveness of one clerical worker to another unless the organizational structure (i.e., time allocated to a project, quality of work desired) they work under is defined.

As Henry Ford demonstrated with assembly lines a hundred years ago, organizational structure can have as much an influence on relative productivity as the power tool over the hand tool. It's management's job to determine what tools workers will have and what organizational structure they will work under.

Managers can influence productivity in a number of ways, in addition to providing more effective tools and organizations. For example, they can alter production inputs and product design, monitor quality, initiate ways to respond quickly to market demand, and find new markets.[11]

In private enterprise, the effectiveness of management is generally assessed by its ability to produce profit. In public enterprise (government), management effectiveness is assessed more in terms of its ability to get maximum goods or services at a given level of cost. Both are legitimate and effective management productivity measures.[12]

Productivity Tables

The key question about productivity is whether or not — in aggregate — it's increasing or decreasing and by how much. This is the major determinant of whether our living standards will rise or fall.[13] It is also the question BLS attempts to answer with its productivity statistics.

Table 1, extracted from BLS's June 1990 *Monthly Labor Review*, shows U.S. productivity growth in the last three decades and in 1989. It provides index numbers of productivity for four components of the U.S. economy: business, nonfarm business, nonfinancial corporations, and manufacturing.

In this table, BLS measures productivity by "output per hour of all persons." (It cannot be stressed enough that this productivity gauge includes the effects from all inputs, including capital, management, technology, as well as labor, although the unit of expression is "all persons.") Data in this table are the most traditional of the productivity statistics produced by BLS and include the output of government enterprises.[14]

Table 1 shows that from 1960 to 1989, business productivity increased 72.7 percent, or an average of 2.51 percent per year. But the distribution of those rates of increase — as shown in the bottom half of Table 1 — shows decreasing rates of growth in the 1970s with a modest recovery in most sectors in the 1980s.

Manufacturing was an exception, having better productivity growth in the 1980s than in the 1960s. In 1989, however,

(Continued on page 4)

Table 2. **Annual Indexes of U.S. Multifactor Productivity in Selected Years, and Annual Average Percentage Change of Multifactor Productivity by Decade and 1987**

	Output Per Hour of All Persons (1977 = 100)					Percentage Change			
	1960	1970	1980	1986	1987	1960s	1970S	1980s	1987
Private Business									
Productivity:									
Output of persons	67.3	88.4	99.2	110.3	112.2	3.14	1.22	1.87	1.72
Ouput of capital services	103.7	102.7	94.1	93.0	93.7	-0.10	-0.84	-0.06	0.75
Multifactor Productivity	78.5	93.1	97.4	103.9	104.7	1.86	0.46	1.07	0.77
Output	55.3	80.2	106.6	128.7	133.4	4.50	3.29	3.59	3.65
Private Nonfarm Business:									
Productivity:									
Output of persons	70.7	89.2	98.7	108.3	109.1	2.62	1.07	1.51	0.74
Ouput of capital services	104.9	103.5	93.3	90.8	91.5	-0.13	-0.99	-0.28	0.77
Multifactor Productivity	81.2	93.8	96.9	102.0	102.7	1.55	0.33	0.86	0.67
Output	54.4	79.9	106.6	128.3	133.2	4.69	3.34	3.56	3.82
Manufacturing									
Productivity:									
Output of persons	62.2	80.8	101.4	127.7	131.9	2.99	2.55	4.30	3.29
Ouput of capital services	103.0	99.1	91.0	98.4	102.0	-0.38	-0.82	1.73	3.66
Multifactor Productivity	72.0	85.3	98.6	119.5	123.6	1.85	1.56	3.62	3.43
Output	52.5	78.6	103.2	124.7	130.1	4.97	3.13	3.72	4.33

Source: U.S. Department of Labor, Bureau of Labor Statistics

(Continued from page 3)

the annual growth rate dropped off again, quite substantially.

Nonfinancial corporations also recorded a poor performance in 1989 with a rate of increase of practically zero. This does not bode well for increasing Americans' income, but be aware that productivity statistics are affected in the short term by business cycles, and 1989 was a period of slow growth.

Multifactor Productivity

BLS developed "multifactor" productivity tables some years after the original series in an attempt to shed some light on the relative effects of labor and capital inputs on productivity.

Multifactor productivity data are only available for three major sectors: private business, private nonfarm business, and manufacturing. The output of government enterprises is not available for the this series because of inadequate information on capital used.[15]

Table 2 shows the rates of change of multifactor productivity in the 1960s, '70s, and '80s, and in 1987, the latest year available. The patterns are not much different than in Table 1, although the magnitudes are about 0.5 to 1.0 percentage points lower.

But what can be discerned from the relative outputs per unit of capital input, or per unit of labor input? Table 2 shows that, generally speaking, the "output per hour of all persons" has been increasing (though at decreased rates from the 1960s), while "output per unit of capital services" has been decreasing through all three decades.

Nevertheless, in 1987, growth in output per unit of capital services became positive. Again, the manufacturing sector deviated from the pattern of the private business sector, with growth throughout the 1980s, as well as specifically in 1987.

Table 3 shows that growth of "capital services inputs" has been declining throughout all three decades and 1987, while "inputs of hours of all persons" grew more rapidly in the 1970s, dropped off in the 1980s, but picked up again in 1987.

(Continued on page 5)

(Continued from page 4)

Manufacturing's pattern also differed from private business on the capital services inputs side. Growth of inputs of capital services declined more radically in manufacturing throughout all three decades and in 1987 than in the private business sectors. And manufacturing's growth of inputs of hours of all persons declined in the 1970s and stayed flat in the 1980s, until it picked up substantially in 1987, while private business saw a steady rise over that period of time.

Manufacturing's strong decline in capital services inputs in the 1980s can be partially attributed to corporate raiding and leveraged buyouts. Although leveraged buyouts and resulting high interest payments may not be the only reason for declining use of capital services, it makes economic sense to decrease the use of capital when already saddled with a high amount of debt.

Conclusions and Concerns

Taking a hard look at productivity statistics can only convince one that interpreting them is difficult. It's nearly certain that rates of productivity growth have been declining over the last three decades — except in manufacturing — with some small improvement in the 1980s. That does not mean that productivity itself is falling. Rather, it's just not growing as fast.

Even with multifactor productivity statistics, it's difficult to determine where the problem lies — labor, capital, management, or other factors. A realization of this quandary led BLS to add the input factors of energy, non-energy materials, and services to manufacturing productivity statistics in 1983.[16] Certainly, the energy crisis of the '70s had underscored the importance of including energy inputs in the productivity equation.

Researchers Sar Levitan and Frank Gallo have identified other problems with U.S. productivity statistics. One is that because BLS uses the market value of goods and services as a proxy for output, on paper, investment in resources to

(Continued on page 6)

Table 3. **Annual Indexes of U.S. Labor and Capital Inputs to Productivity in Selected Years, and Annual Average Percentage Change of Inputs to Productivity by Decade and 1989**

	Output Per Hour of All Persons (1977 = 100)					Percentage Change			
	1960	1970	1980	1986	1987	1960s	1970s	1980s	1987
Private Business									
Inputs:									
Hours of All Persons	82.2	90.8	107.5	116.7	120.0	1.05	1.84	1.66	2.83
Capital Services	53.3	78.1	113.3	138.5	142.4	4.65	4.51	3.67	2.82
Combined Inputs	70.5	86.1	109.4	123.9	127.4	2.21	2.71	2.35	2.82
Capital/Hr/Person	64.9	86.1	105.4	118.7	118.6	3.27	2.24	1.79	-0.08
Private Nonfarm Business									
Inputs:									
Hours of All Persons	77.0	89.6	108.0	118.5	122.0	1.64	2.05	1.85	2.95
Capital Services	51.9	77.2	114.2	141.3	145.5	4.87	4.79	3.92	2.97
Combined Inputs	67.1	85.2	110.0	125.8	129.6	2.70	2.91	2.55	3.02
Capital/Hr/Person	67.4	86.2	105.7	119.3	119.2	2.79	2.26	1.82	-0.08
Manufacturing:									
Inputs:									
Hours of All Persons	84.4	97.3	101.7	97.7	98.6	1.53	0.45	-0.44	0.92
Capital Services	51.0	79.3	113.4	126.8	127.6	5.55	4.30	1.79	0.63
Combined Inputs	72.9	92.1	104.6	104.4	105.3	2.63	1.36	0.10	0.86
Capital/Hr/Person	60.4	81.5	111.5	129.8	129.4	3.49	3.68	2.29	-0.31

Source: U.S. Department of Labor, Bureau of Labor Statistics

(Continued from page 5)

control pollution reduces productivity, because clean air and water are assigned no market values.

Another problem Levitan and Gallo have identified is that measuring output is troublesome in industries with no clearly quantifiable product. The output of the teaching profession is one example.

The two researchers also point out that a change in quality is not clearly captured by substituting dollar value for physical volume to estimate "real" output when technological change is a factor. Levitan and Gallo conclude that "the continued growth of the service sector casts doubts about how accurately current productivity statistics measure overall economic efficiency."[17]

With these and other problems in mind, it's amazing that anyone can express with certainty that the problem of declining U.S. productivity growth is the result of poor worker attitudes, inferior education, or any other labor trait.

As we go into the 1990s, improvement of American education is being touted as the answer to our competitiveness problem. We seem to have forgotten that our greatest productivity gains came in the decade after World War II when the parents of the Baby Boom generation went to work in force. Most of those parents had far less education than the present generation.

Taking for granted that labor is the sole reason of declining productivity growth prevents us from looking deeper into the problem. Other areas worthy of examination include: corporate raiders, managers, fossil-energy dependence, and accounting methods related to environmental cleanup.

—Ron Simon
RA Economic Analysis Manager

Footnotes:

1. BLS Handbook of Methods, Bulletin 2285, U.S. Department of Labor, Bureau of Labor Statistics, (Washington, D.C.: U.S. Government Printing Office, April 1988), p. 69.

2. Productivity Costs, First Quarter 1990, U.S. Department of Labor, Bureau of Labor Statistics News Release, Technical Notes, (Washington, D.C., June 4, 1990).

3. Note that a basic economic text states, "The 'marginal productivity' of labor (or any other factor) cannot be determined independently of the contribution of other factors." James D. Gwartney and Richard L. Stroup, "Economics: Private and Public Choice," 4th ed., (Orlando: Harcourt Brace Jovanovich, 1987), p 537.

4. ibid., p.203.

5. According to John Kitching, perhaps this effect is mitigated somewhat by the practice of managers who purchase their firms through leveraged buyouts (LBOs): "Although interest charges rise enormously after a buyout, owners move quickly to pay down debt and reduce the burden. Debt repayment in year one of the average LBO exceeds 400 percent of the amount of repayment forecast in the buyout plan. In year two of the average buyout, management pays down more than 600 percent as much debt as forecast. Over time, however, as the interest burden stabilizes, debt repayment trails off." John Kitching, "Early Returns on LBOs," Harvard Business Review, (November-December 1989), p.74.

6. As Robert Mercer, former Goodyear chairman, was quoted as saying as he discussed the effects of fighting off a raid, "We're spending $1 million a day in unnecessary interest expense that's going to 17 banks around the world. I fail to see what the interest payments add to the GNP of this country or the total development of this country." Ruth Simon and Graham Button, "What I Learned In The Eighties," Forbes, (January 8, 1990) p.102.

7. Gwartney and Stroup, Economics, p. 148.

8. ibid., p. 203.

9. Stephen C. Rosenbaum, Managing and Measuring Productivity, (New York: Training by Design, Inc., 1981) p.24.

10. A survey of Harvard Business Review readers has laid most of the blame for America's slowing productivity and deteriorating competitiveness on managers, especially for their short-term outlook and complacency. Tom Ehrenfeld, ed., "The Gray Area," Harvard Business Review, (November-December 1989) p. 222.

11. ibid.

12. Rosenbaum, "Managing and Measuring Productivity," pp. 41-49.

13. William Gullickson and Michael J. Harper, "Multifactor productivity in U.S. manufacturing, 1949-83," *Monthly Labor Review*, (October 1987) p 19.

14. BLS Handbook of Methods, p.71.

15. ibid.

16. ibid.

17. U.S. Congress, Joint Economic Committee, Workforce Statistics: Do We Know What We Think We Know — And What Should We Know?, by Sar A. Levitan and Frank Gallo, Joint Committee Print, (Washington D.C.: U.S. Government Printing Office, December 26, 1989), pp. 21-22.

Productivity Growth in U.S. Lagged Foreign Counterparts' Rise in '89, BLS Report Shows

A 2 percent growth rate in U.S. manufacturing labor productivity (output per hour) from 1988 to 1989 was matched or exceeded by eight of 10 foreign countries for which data are available, the Labor Department's Bureau of Labor Statistics (BLS) recently reported.[1] The BLS data were part of an annual study of how labor productivity and labor costs compare in the U.S. and other economies.

Meanwhile, a U.S. increase of 2.2 percent in manufacturing unit labor costs was smaller than increases in six of the 12 foreign economies studied, but larger than such costs in five other economies, including Japan, France, and Germany. Adjusted for changes in foreign currency values relative to the U.S. dollar, seven countries had substantial declines in unit labor costs, and for the second straight year, Korea's unit labor cost growth rate far exceeded the rates in all the other economies studied.

Table 1 summariezes BLS' comparative annual measures of percent changes from 1988 to 1989 in manufacturing productivity, unit labor costs, and related variables for the United States, Canada, Japan, and eight European countries. This table also shows percent changes in unit labor costs for Korea and Taiwan, but comparable productivity figures are not available because adequate labor input measures have not been developed.

Norway and Japan were the leaders in manufacturing productivity with growth rates in the range of about 6 to 6½ percent. However, Norway's large increase was due almost entirely to a substantial decrease in labor hours. The United Kingdom, France, Germany, and the Netherlands experienced increases of 4 to 5 percent; and Denmark and Italy posted gains of 3 percent. Canada matched the U.S. increase, and only Sweden had a smaller increase.

Manufacturing output rose in all 13 economies studied in 1989, although Norway's gain was very slight. The U.S. increase of about 3 percent was substantially lower than

(Continued on page 8)

Table 1. Manufacturing Productivity[1] and Labor Costs by Country, Percentage Change, 1988-1989

						Unit Labor Costs	
	Output Per Hour	Output	Hours	Employment	Hourly Comp.	National Currency	U.S. Dollars
United States	2.0	2.9	.9	1.1	4.2	2.2	2.2
Canada	2.2	1.9	-.2	.9	8.5	6.2	10.4
Japan	5.8	7.4	1.5	2.5	6.8	.9	-6.3
Korea	—	3.7	—	—	—	13.6	23.8
Taiwan	—	4.5	—	—	—	4.3	13.1
Denmark	3.0	1.5	-1.5	-.8	5.2	2.1	-6.0
France	4.7	4.1	-.5	.0	4.6	-.1	-6.6
Germany	4.5	4.8	.3	1.3	4.5	.0	-6.6
Italy	2.9	3.0	.2	.4	10.7	7.7	2.2
Netherlands	4.5	5.1	.6	1.0	1.5	-2.8	-9.4
Norway	6.4	.3	-5.7	-6.2	4.2	-2.0	-7.5
Sweden	1.6	2.3	.6	1.6	10.9	9.1	3.7
United Kingdom	5.1	4.5	-.6	.3	10.1	4.8	-3.6

[1] Although the productivity measure relates output to the hours of persons employed in manufacturing, it does not measure the specific contributions of labor as a single factor of production. Rather, it reflects the joint effects of many influences, including new technology, capital investment, capacity utilization, energy use, and managerial skills, as well as the skills and efforts of the work force.

Source: U.S. Department of Labor, Bureau of Labor Statistics, July 1990

War Participation Made Little Difference in Vietnam Vets' Job Status

Following are brief summaries of recently issued reports by the U.S. Department of Labor's Bureau of Labor Statistics (BLS). Additional information can be obtained by contacting the Labor Department in Washington D.C.

A survey taken in September 1989 showed that the labor market situation of veterans who served in the Vietnam theater of operations was little different from other Vietnam-era veterans and that about half of all Vietnam-era veterans have participated in special veterans' programs. Veterans with disabilities did have greater labor market problems, especially those with severe disabilities.

Of the 7.9 million male veterans of the Vietnam era (the period from August 1964 to May 1975), close to half, or 3.7 million, served in the Southeast Asia war theater of operations. The labor force participation rate for this group was 90 percent in September 1989, slightly lower than the rates for Vietnam-era veterans who served elsewhere during the period. The unemployment rates for Vietnam-era veterans were relatively low, with the rate for war-theater veterans (3.7 percent) little different than that of non-theater veterans (3.3 percent). Most Vietnam-era veterans are now in the 35-54 year age group; comparing them with their contemporaries who did not serve shows few labor market differences.

BLS REPORTS

White-Collar Pay Varies Widely

BLS' nationwide white-collar pay survey of the private goods-producing industries, conducted in March 1990, showed average salaries from $11,522 to $119,670 a year, reflecting the wide range of duties and responsibilities in the mining, construction, and manufacturing industries.

Average salaries among the 32 occupations surveyed varied widely by skill and experience. Beginning accountants and engineers, for example, averaged $24,723 and $31,412 a year, respectively, while the top level accountants (VI) averaged $73,097 — $2,451 above the comparable level of engineers (VI). Salaries for the highest level of engineer surveyed (level VIII) averaged $93,514. Other jobs also had wide pay differences among the levels studied, with average salaries ranging from $11,522 to $22,312 for four levels of general clerks and from $19,850 to $32,830 for five levels of secretaries.

(Continued from page 7)

last year's growth rate. Canada, Denmark, and Sweden, in addition to Norway, recorded gains below that of the United States. Japan outpaced all other economies with an increase of 7 .4 percent.

The strong employment growth the U.S. and Canada experienced in 1988 did not carry over into 1989. Both had 1989 growth rates of about 1 percent. Japan, on the other hand, showed somewhat stronger growth than in 1988 with an increase of 2 percent. The level of employment in France in 1989 was unchanged, thus marking the first time in 15 years that manufacturing employment did not decline. Similarly, the United Kingdom recorded a slight increase in employment in 1989, the second consecutive year of growth following 10 years of declines.

Japan had the largest increase in total labor hours in manufacturing, followed by the United States, Sweden, and the Netherlands. Norway, for the second consecutive year, posted the largest decline in employee hours, stemming from its employment decrease.

Hourly compensation in manufacturing — which includes wages and salaries, supplements, and employer payments for social security and other employer-financed benefit plans — rose 4.2 percent in the United States from 1988 to 1989. This gain was the largest since 1986 and represents the second consecutive year in which the United States has experienced increasing rates of hourly compensation growth. However, of the 10 foreign economies for which data are available, the U.S. increase was among the lowest.

While manufacturing unit labor costs, which reflect changes in both labor productivity and hourly compensation, were still moderate in the United States, the 2.2 percent rise represents an increase over the trend of smaller gains or declines the U.S. has experienced since 1982. In addition, it 's the second consecutive year in which slower productivity growth and rising hourly compensation growth have combined to produce successively larger unit labor cost increases.

1. The U.S. output measures used for the years prior to 1988 are Gross Product Originating (GPO) in 1982 prices from the National Income and Product Accounts prepared by the Commerce Department's Bureau of Economic Analysis (BEA). The measures for 1988 and 1989 are based on the trend shown by the index of industrial production prepared by the Board of Governors of the Federal Reserve System, because GPO numbers are not yet available.

—U.S. Department of Labor, Bureau of Labor Statistics

The Arizona Labor Force in July

Arizona's total employment fell by 24,500 in July, while total unemployment increased by only 2,600. This combination resulted in a seasonally adjusted increase in the state unemployment rate of one-tenth of one percent, to 5.4 percent.

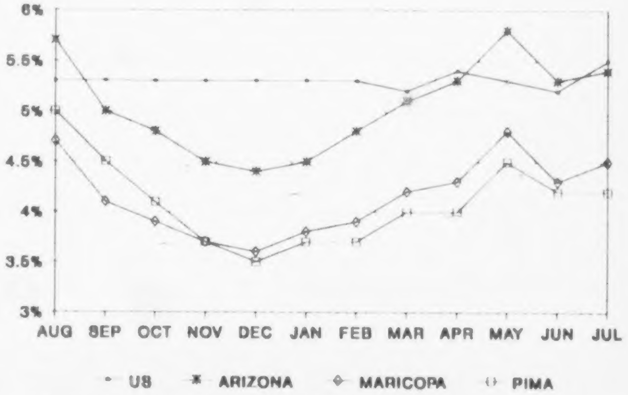
Job losses in July did not translate into even higher levels of unemployment as the total civilian labor force declined by 21,900. The decrease was split almost equally between agricultural and non-agricultural employment, both of which normally experience declines during July.

Statewide, the lowest unemployment rates occurred in Pima and Maricopa counties, coming in at 4.2 and 4.5 percent, respectively. Santa Cruz County had the highest unemployment rate at 19.1 percent, followed by Yuma County with a unemployment rate of 17.6 percent. Yavapai County had the lowest nonmetropolitan unemployment rate at 4.9 percent.

While almost all industries had employment declines in July, the good news is, on a seasonally adjusted basis, total wage and salary employment was up over normal July levels. Employment declines that normally occur in July were, on average, smaller than the state has experienced in prior years.

The only major industries to experience employment growth in July were construction; and transportation, communications, and public utilities (TCPU). Construction employment increased 300, or 100 more than the average July increase since 1982. An increase of 100 in TCPU employment was 200 less than the average increase of 300 jobs for the month.

Finance, insurance, and real estate (FIRE), which has been experiencing slow employment growth since February, remained unchanged from June. The lack of movement in FIRE statewide was also found on the substate level, where both the metropolitan and nonmetropolitan counties maintained the same employment levels.



Source: Arizona Department of Economic Security, Research Administration, August 1990

Figure 1. **U.S., Arizona, and Maricopa and Pima Counties' Unemployment Rates, August 1989–July 1990**

Manufacturing showed the smallest employment decrease in July, losing 200. Manufacturing typically gains 500 jobs during this mid-summer month, of which durable goods accounts for an 800 gain and non-durable goods for a 300 loss. Durable goods employment was unchanged, while non-durable goods experienced a near normal drop of 200.

Mining employment was down by 500 statewide in July, when an average decrease of 200 is normal. Mining employment showed a larger-than-normal decrease in July due to a strike at ASARCO Inc. in Pinal County.

Wholesale and retail trade usually experience employment declines in July and this year was no exception. Wholesale trade showed a drop of 600 in a month the industry usually has a decrease of 800. Retail trade dropped 3,300, or 300 less than the average July decline. General merchandise and apparel, food stores, and eating and drinking places all showed some employment declines, with automotive and service stations gaining 100. Eating and drinking places experienced the largest loss — 2,000 jobs.

Services employment decreased 1,800, or 200 more than the average decline for July. Hotels and other lodging places,

(Continued on page 14)

Arizona Labor Fo
July 1990 (

	ARIZONA				
				Amount	Change
	July* 1990	June 1990	July 1989	June - July	1989 - 1990
TOTAL CIVILIAN LABOR FORCE******	1730.4	1752.3	1702.3	-21.9	+28.1
Total Unemployment	104.3	101.7	99.7	+2.6	+4.6
Rate	6.0	5.8	5.9	—	—
Rate (Sea. Adj.)***	5.4	5.3	5.3	—	—
Total Employment	1626.1	1650.6	1602.6	-24.5	+23.5

Note: Above Labor Force Statistics Should Not Be Used for Economic Assistance Programs

NONAGRICULTURAL WAGE AND SAL

	July* 1990	June 1990	July 1989	June - July	1989 - 1990
TOTAL WAGE AND SALARY	1470.3	1480.5	1413.3	-10.2	+57.0
Manufacturing	189.2	189.4	187.3	-0.2	+1.9
Durable Goods	143.7	143.7	142.6	0.0	+1.1
Stone, Clay, and Glass	7.3	7.4	7.5	-0.1	-0.2
Primary and Fabricated Metals	15.4	15.6	15.4	-0.2	0.0
Primary Metals	7.6	7.7	7.6	-0.1	0.0
Fabricated Metals	7.8	7.9	7.8	-0.1	0.0
Machinery	59.0	59.0	60.6	0.0	-1.6
Aircraft and Missiles	27.7	27.6	26.2	+0.1	+1.5
Lumber and Wood Products (Excluding Furniture)	8.2	8.0	7.6	+0.2	+0.6
Nondurable Goods	45.5	45.7	44.7	-0.2	+0.8
Food and Kindred Products	10.2	10.1	9.7	+0.1	+0.5
Printing and Publishing	17.0	16.8	16.5	+0.2	+0.5
Mining and Quarrying	12.3	12.8	12.2	-0.5	+0.1
Copper Mining	9.4	9.9	9.3	-0.5	+0.1
Construction	84.3	84.0	86.9	+0.3	-2.6
Trans., Communications, & Public Utilities	80.6	80.5	77.3	+0.1	+3.3
Transportation	45.1	45.2	41.1	-0.1	+4.0
Communications and Public Utilities	35.5	35.3	36.2	+0.2	-0.7
Trade	372.6	376.5	359.6	-3.9	+13.0
Wholesale Trade	77.8	78.4	72.9	-0.6	+4.9
Retail Trade	294.8	298.1	286.7	-3.3	+8.1
General Merchandise and Apparel	45.0	45.3	43.4	-0.3	+1.6
Food Stores	48.0	48.1	48.8	-0.1	-0.8
Automotive and Service Stations	36.4	36.3	35.7	+0.1	+0.7
Eating and Drinking Places	104.5	106.5	100.8	-2.0	+3.7
Finance, Insurance, and Real Estate	94.6	94.6	92.7	0.0	+1.9
Services and Miscellaneous	408.2	410.0	383.8	-1.8	+24.4
Hotels and Lodging Places	44.9	46.0	40.9	-1.1	+4.0
Business Services	76.0	76.1	72.5	-0.1	+3.5
Health Services	101.4	101.3	96.2	+0.1	+5.2
Government	228.5	232.7	213.5	-4.2	+15.0
Federal	47.9	47.9	43.1	0.0	+4.8

* Preliminary.

** Labor force, unemployment, and employment are reported by place of residence.

*** Normal seasonal variations have been eliminated to reflect underlying economic trends.

**** Business Services underwent a series break between December 1987 and January 1988 as a result of the 1987 SIC realignment.

ce and Employment
Thousands)

MARICOPA COUNTY					PIMA COUNTY				
			Amount Change					Amount Change	
July* 1990	June 1990	July 1989	June - July	1989 - 1990	July* 1990	June 1990	July 1989	June July	1989 - 1990
1079.5	1093.3	1064.4	-13.8	+15.1	312.2	316.5	312.1	-4.3	+0.1
50.4	50.6	48.9	-0.2	+1.5	13.6	14.2	14.9	-0.6	-1.3
4.7	4.6	4.6	—	—	4.4	4.5	4.8	—	—
4.5	4.3	4.4	—	—	4.2	4.2	4.6	—	—
1029.1	1042.7	1015.5	-13.6	+13.6	298.6	302.3	297.2	-3.7	+1.4

RY EMPLOYMENT BY PLACE OF WORK

July* 1990	June 1990	July 1989	June - July	1989 - 1990	July* 1990	June 1990	July 1989	June July	1989 - 1990
977.0	983.8	939.1	-6.8	+37.9	246.5	248.7	239.1	-2.2	+7.4
140.2	140.3	139.0	-0.1	+1.2	27.2	27.2	27.5	0.0	-0.3
107.9	107.8	107.0	+0.1	+0.9	21.6	21.6	22.0	0.0	-0.4
4.4	4.4	4.5	0.0	-0.1					
10.4	10.6	10.5	-0.2	-0.1					
48.5	48.6	50.0	-0.1	-1.5					
32.3	32.5	32.0	-0.2	+0.3	5.6	5.6	5.5	0.0	+0.1
6.9	6.8	6.4	+0.1	+0.5					
12.2	12.1	11.9	+0.1	+0.3					
0.9	0.9	0.9	0.0	0.0	2.2	2.3	2.1	-0.1	+0.1
55.9	55.3	58.4	+0.6	-2.5	14.6	14.8	15.1	-0.2	-0.5
56.6	56.7	53.7	-0.1	+2.9	9.8	9.7	10.0	+0.1	-0.2
33.6	33.8	30.5	-0.2	+3.1	5.1	5.0	4.9	+0.1	+0.2
23.0	22.9	23.2	+0.1	-0.2	4.7	4.7	5.1	+0.0	-0.4
251.1	253.7	241.8	-2.6	+9.3	58.5	59.2	57.2	-0.7	+1.3
62.5	62.8	58.6	-0.3	+3.9	7.7	7.8	7.5	-0.1	+0.2
188.6	190.9	183.2	-2.3	+5.4	50.8	51.4	49.7	-0.6	+1.1
28.2	28.4	27.2	-0.2	+1.0	6.8	6.8	6.8	0.0	0.0
30.7	30.8	31.1	-0.1	-0.4	7.8	7.7	8.2	+0.1	-0.4
23.2	23.1	22.7	+0.1	+0.5	5.8	5.8	5.7	0.0	+0.1
65.9	67.4	63.4	-1.5	+2.5	19.3	19.8	18.9	-0.5	+0.4
75.9	75.9	74.3	0.0	+1.6	11.6	11.6	11.4	0.0	+0.2
274.5	276.7	257.6	-2.2	+16.9	74.5	74.5	70.5	0.0	+4.0
27.2	28.1	24.0	-0.9	+3.2	6.6	6.7	5.9	-0.1	+0.7
61.1	61.2	58.8	-0.1	+2.3	10.3	10.2	9.7	+0.1	+0.6
65.7	65.8	62.7	-0.1	+3.0	21.9	21.8	20.7	+0.1	+1.2
121.9	124.3	113.4	-2.4	+8.5	48.1	49.4	45.3	-1.3	+2.8

NOTE: Prepared by Arizona Dept. of Economic Security, Research Administration, in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics.

Non-metropolitan Counties
Labor Force and Employment
July 1990

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
CIVILIAN LABOR FORCE*	13,325	36,850	46,450	13,175	8,350	2,850	6,100
Total Unemployment	2,850	2,500	3,650	1,200	575	200	450
Rate	21.4%	6.8%	7.9%	9.1%	6.9%	7.0%	7.4%
Rate (Seas. Adj.)**	14.3%	6.8%	6.7%	9.4%	6.6%	6.8%	7.7%
Total Employment	10,475	34,350	42,800	11,975	7,775	2,650	5,650

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
TOTAL WAGE AND SALARY	13,750	25,925	42,400	11,325	4,875	2,800	3,775
Manufacturing	800	1,275	3,550	1,375	225	25	250
Mining & Quarrying	50	175	300	1,350	0	1,725	75
Construction	450	725	1,900	425	175	75	200
T.C.P.U.	2,000	1,875	2,775	450	150	50	125
Trade	1,975	5,800	10,325	2,725	1,325	250	1,250
F.I.R.E.	450	675	725	300	125	25	100
Services & Misc.	4,550	5,250	12,100	2,300	875	150	1,075
Government	3,475	10,150	10,725	2,400	2,000	500	700

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	37,975	27,800	38,950	12,300	41,050	53,525
Total Unemployment	2,125	3,825	3,125	2,375	1,975	15,400
Rate	5.6%	13.8%	8.0%	19.3%	4.8%	28.8%
Rate (Seas. Adj.)**	5.6%	10.5%	7.4%	19.1%	4.9%	17.6%
Total Employment	35,850	23,975	35,825	9,925	39,075	38,125

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
TOTAL WAGE AND SALARY	26,525	21,775	27,600	10,300	27,900	27,800
Manufacturing	2,550	2,225	3,825	775	2,275	2,650
Mining & Quarrying	50	1,225	3,250	0	900	75
Construction	3,250	1,375	550	400	2,700	1,550
T.C.P.U.	1,200	1,675	1,100	725	1,100	900
Trade	8,425	4,575	5,875	4,500	7,825	8,125
F.I.R.E.	1,250	450	850	300	975	925
Services & Misc.	6,300	6,150	4,750	1,900	7,200	6,700
Government	3,500	4,100	7,400	1,700	4,925	6,875

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities

F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Estimated Hours and Earnings of Production Workers in Selected Industries
Arizona

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	July* 1990	June 1990	July 1989	July* 1990	June 1990	July 1989	July* 1990	June 1990	July 1989
Manufacturing	419.21	413.51	409.44	40.7	40.7	40.7	10.30	10.16	10.06
Aircraft & Missiles	662.16	659.86	616.03	46.5	46.6	44.9	14.24	14.16	13.72
Food & Kindred Prod.	342.34	339.50	355.92	39.9	38.8	40.4	8.58	8.75	8.81
Primary Metals	519.84	494.09	516.00	38.0	36.9	37.5	13.68	13.39	13.76
Machinery	362.30	358.13	387.65	37.7	37.5	39.8	9.61	9.55	9.74
Copper Mining	600.28	608.37	564.89	43.0	44.7	45.3	13.96	13.61	12.47
Construction	463.81	462.85	434.38	38.3	38.7	37.0	12.11	11.96	11.74
Utilities	737.52	733.67	703.63	43.9	44.9	42.8	16.80	16.34	16.44
Retail Trade**	264.60	261.74	256.96	33.2	33.3	33.9	7.97	7.86	7.58
Wholesale Trade	391.25	389.27	387.48	39.6	39.4	39.1	9.88	9.88	9.91

Estimated Hours and Earnings of Production Workers in Selected Industries
Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	July* 1990	June 1990	July 1989	July* 1990	June 1990	July 1989	July* 1990	June 1990	July 1989
Manufacturing	451.12	439.32	431.90	42.2	41.8	40.9	10.69	10.51	10.56
Construction	470.06	469.94	450.38	38.0	38.3	37.5	12.37	12.27	12.01
Retail Trade**	273.90	273.17	270.75	33.2	33.6	34.1	8.25	8.13	7.94
Wholesale Trade	399.51	396.90	404.88	38.6	38.2	39.5	10.35	10.39	10.25

Estimated Hours and Earnings of Production Workers in Selected Industries
Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	July* 1990	June 1990	July 1989	July* 1990	June 1990	July 1989	July* 1990	June 1990	July 1989
Manufacturing	357.27	344.93	365.57	37.1	36.5	38.4	9.63	9.45	9.52
Construction	387.19	396.81	389.92	36.7	37.4	37.1	10.55	10.61	10.51
Utilities	641.21	626.50	584.66	41.8	41.6	40.1	15.34	15.06	14.58

* Preliminary.

** Excludes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs
July 1990

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,730,425	1,626,137	104,288	6.0%
Apache	13,321	10,472	2,849	21.4
Cochise	36,849	34,356	2,493	6.8
Coconino	46,435	42,796	3,639	7.8
Gila	13,193	11,987	1,206	9.1
Graham	8,373	7,786	587	7.0
Greenlee	2,860	2,654	206	7.2
La Paz	6,107	5,649	458	7.5
Maricopa	1,079,462	1,029,089	50,373	4.7
Mohave	37,961	35,841	2,120	5.6
Navajo	27,805	23,977	3,828	13.8
Pima	312,241	298,599	13,642	4.4
Pinal	38,962	35,825	3,137	8.1
Santa Cruz	12,297	9,923	2,374	19.3
Yavapai	41,045	39,068	1,977	4.8
Yuma	53,513	38,115	15,398	28.8

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

The Arizona Labor Force in July

(Continued from page 9)

which had the largest employment decline of any services' subindustry (1,100 jobs), still has an over-the-year increase of 9.8 percent. Health services continued its streak of positive monthly performances in 1990 by gaining 100 jobs in July.

Government had the largest employment decline of the major industry groups in July, losing 4,200 jobs. The greatest part of the loss occurred in schools, where employment was down for the second-consecutive month. Government, on average, declines by 9,000 in July.

In summary, with the uncertainty in the Middle East, and the U.S. Chamber of Commerce predicting a national recession to begin as early as the fourth quarter of 1990, the next several months should be interesting, indeed. Arizona cannot remain isolated from shocks to the national economy, and a watchful eye should be kept on how the U.S. economy is faring.

—Dennis Doby
RA Economist

Economic-Growth Legislation Gives Boost to Nebraska Employment

Following are brief summaries of news stories compiled from a variety of sources relating to labor issues affecting the nation and Arizona.

An innovative economic-development program, along with a strong work ethic and low cost of living have combined to give Nebraska the lowest unemployment rate in the country (2.0 percent in June), according to an article in *Employment & Training Reporter*. Nebraska's economic picture turned around suddenly after two tax-incentive bills were enacted in 1987, giving large and small businesses a series of write-offs and tax rebates in order to spur economic development and job growth, the weekly Washington D.C.-based publication said in its Aug. 15 issue. In the early and mid-1980s, the state's agricultural, manufacturing and railroad industries fell on hard times, leading to a massive number of bankruptcies and jobs losses.

In order to qualify for incentives, large businesses must invest $10 million in capital equipment and create 100 new full-time jobs, while small companies are required to spend a minimum of $75,000 on capital investment and create two new full-time jobs. Among the incentives offered to businesses are: tax credits for employee benefit expenses, rebates of 10 percent on state taxes, refunds on sales taxes imposed on capital equipment purchases, and exemptions from capital gains taxes for workers who own stock in Nebraska-based companies.

Aiding the economic-development legislation are Nebraska's low cost of living, extensive railroad network, and productive work force, says Stu Miller, the director of the state's Economic Development Department. In three industries where Nebraska has seen extensive growth — manufacturing, food processing, and telemarketing — average hourly wages are relatively low, with respective numbers of $9.70, $8.93, and $6.50 an hour. Nebraska, which is a right-to-work state, also has seen a boom in its agricultural and insurance sectors.

One fallout from the incentive legislation has been that a large percentage of the estimated 25,000 newly created jobs are low-wage, low-skill positions. But because of the large numbers of out-of-work farmworkers, the state's Job Service offices have not had a hard time filling job orders. On the other hand, because of a labor shortage the unemployed are not enrolling in training and educational programs that tend to lead to higher paying jobs, which is just the opposite of times when unemployment was higher.

Goodwill: Disabled Law Shouldn't Burden Firms

The recently signed Americans with Disablities Act (ADA) should not impose a high cost to businesses when the law begins phasing in two years from now, according to a survey by Goodwill Industries of America. The legislation requires that companies consider employment for disabled who can complete the "essential functions" of the job when reasonable accommodations are provided. Responding to the Goodwill survey, businesses said that about 50 percent of the accommodations can be made at no cost, 30 percent at a cost under $500, and 8 percent at a cost of more than $2,000.

ADA will allow companies to take a tax deduction up to $35,000 a year for architectural costs to make a workplace accessible for disabled individuals, and businesses may also be able to apply for deductions under the Targeted Jobs Tax Credit program. Businesses with fewer than 15 employees are exempt from the law.

Goodwill has published a brochure on ADA and is making a kit available at its local offices that outlines the major aspects of the legislation. In addition, Goodwill will put on seminars in Washington D.C. in October and February for companies seeking more information on the law.

World Group Takes Stand on Night Work

The 77th session of the International Labour Conference, held in early summer in Geneva, Switzerland, adopted stands on night work and the use of hazardous chemicals, gave a blueprint for promoting self-employment, and issued a resolution on the need for balance between economic development and protecting the environment. The conference was attended by more than 2,000 representatives of government, employers, and employees from 139 counties.

The stand on night work calls on employers to provide health and maternity protections, opportunities for occupational advancement, assistance with family and social responsibilities, and fair compensation "recognizing the nature of night work." An international convention was passed suggesting ways to prevent or reduce the incidence of chemically induced illnesses. The convention "sets out responsibilities of suppliers and those of employers as regards (to) identification (and) transfer of chemicals," as well as the areas of exposure, operational control, disposal, information, training, and cooperation with workers and their representatives.

The conference also passed a resolution promoting self-employment and its contribution to economic growth, but stressed the need "for adequate social protection and respect for relevant international labor standards."

New Developments

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the Arizona LMI Newsletter is not responsible for incorrect information reported by these sources.

MANUFACTURING — Pima County's manufacturing industry received another severe blow when **National Semiconductor Corp.** announced in August the fazing out of its **Tucson plant** over the next 18 months. The closing of the Santa Clara, Calif.-company's facility, which makes military aerospace components, will idle 450 workers, including 50 immediately. National Semiconductor's decision to close — due to restructuring and Defense Department cuts — adds to the manufacturing woes in the Tucson area, which has seen the closing of plants by International Business Machines and Learjet in the recent past, and recent layoffs by Hughes Aircraft Co., Burr-Brown Corp., and AiResearch Tucson Division.

Ansell International caused another setback for Tucson's goods-producing sector when it announced in late August that it's closing a **surgical- and medical-glove plant** because of increased competition, due in part to the use of a cheap labor force in Southeast Asia. The facility's closure, which will be complete by the middle of 1991, will cost about 125 people their jobs.

McDonnell Douglas Helicopter Co. received good and bad news from the Defense Department in August. The good news is the Army awarded McDonnell Douglas a $300 million contract to build **66 more Apache attack helicopters**, although the contract will not affect current and planned layoffs. McDonnell Douglas eliminated 300 full-time and temporary positions at the Mesa helicopter plant in July as part of worldwide staff reductions, and it plans to cut the helicopter work force in Mesa and Culver City, Calif., by another 400 jobs by the end of the year. On the negative side, Defense Secretary Dick Cheney announced that $8 billion will be cut from the $42 billion Light Helicopter program, thereby decreasing the number of helicopters the Army will order from 2,096 to 1,292. McDonnell Douglas and team member Bell Helicopter Textron of Fort Worth have invested $200 million in designing the scout-attack helicopter, and together they expect to employ about 1,200 workers next year if they were awarded the contract.

TRW Inc. will greatly **benefit from a recent decision by General Motors Corp.** to equip all of its U.S.-built cars with air bags by 1995. TRW manufactures air bags at a Mesa plant and is opening a facility later this year or in early 1991 that will make air bag propellant. TRW had previously announced plans to expand its work force at the air bag plant from 870 to 1,270 by late 1991 and to employ 200 people at the propellant facility when it opens.

Sturm Ruger and Company Inc. plans to move its entire **9mm pistol manufacturing facility** from New Hampshire to Prescott as soon as problems with the Arizona Department of Environmental Quality are worked out. Sturm Ruger, which currently employs 55 people in its Prescott foundry (and 200 overall in Prescott), says that total could quadruple in five years when the move is complete. Pay for workers at the new foundry operation will range from $6 to $12 per hour.

An Atlanta-based printer that specializes in food labels plans to construct a **plant in Prescott Valley** that will evenutally employ about 60 workers and add $750,000 to $1 million to the surrounding areas' economies. **Printpak Inc.**, whose clients include Frito Lay, Eagles Snacks, Coca Cola, and Huggies, says it will initially hire about 30 people at $6.50 to $7 an hour when its 100,000-square-foot facility opens in September 1991.

A shortage of timber and a weakness in the construction industry are two of the reasons given for the temporary layoff of 420 workers at the **Stone Forest Industries** lumber mill in the eastern-Arizona town of Eager. Stone Forest has given no timetable for the length of the cutbacks, which will have a major impact on the 6,000 residents of Eager and nearby Springerville.

A U.S. Bankruptcy Court has approved a **reorganization plan** of Scottsdale-based **Kroy Inc.**, a manufacturer of labels and printing products. The plan, which released Kroy from $1.9 billion in claims and allows the infusion of $5 million in working capital, will prevent the company from laying off any of its 300 employees and to expand its operation. In 1988, Kroy had as many as 470 employees.

Arizona is one of three states being considered as a site for an electronics division of Hughes Aircraft Co. Currently located in Torrance, Calif., the **Hughes Industrial Electronics Group's Electron Dynamics Division** employs about 1,200 people and makes microwave devices for the defense industry and other markets. Hughes, which employs about 6,000 workers at its defense plant in Tucson, has not named a specific location in the state. A decision is expected before October.

Taiwan-based **Silitek** has purchased the Tucson computer

(Continued on page 17)

(Continued from page 16)

keyboard manufacturing operation of EECO Inc. The new operation, to be called Maxi Switch Inc., will retain its present work force of about 60. In May, Calif.-based EECO laid off about one-third of its 100 employees because of increased competition and plans to build only custom keyboards instead of mass-produced ones.

CONSTRUCTION — **Westcor Partners of Phoenix** has announced plans to remodel and expand **The Colonnade shopping center** in central Phoenix. Westcor, which developed and owns MetroCenter and the Paradise Valley Mall, says it wants to enlarge the shopping center at 20th Street and Camelback Road into to a 1 million-square-foot regional mall and add two 10-story office buildings and a 300-room hotel. Pending approval by the Phoenix City Council, construction on the mall portion of the project would begin in 1992 or '93.

Higher interest rates due to the Middle East crisis have caused the **Home Builders Association of Central Arizona** to revise downward its forecast for **home building permits** in the Valley for 1990. With 30-year loan rates jumping about 1 percent in the past month, the home-building group expects about 12,000 single-family building permits this year instead of its earlier forecast of 13,000. In 1986, at the height of the Arizona building boom, nearly 25,000 permits were issue.

Nearly **$100 million in improvements** for **Tucson International Airport** and **Ryan Airfield** have been approved by the Tucson Airport Authority. About $81 million was allocated for various projects at Tucson International over the next five years, with $17 million going for increasing and widening runways at Ryan Airfield to accommodate larger airplanes.

SunCor Development Co., a division of Pinnacle West Corp., is working on plans for the development of a **35-acre retail complex and a 450-acre residential subdivision in Litchfield Park**, 20 miles west of downtown Phoenix. The 355,000-square-foot retail center, to be called Litchfield Gateway, may include two warehouse-type stores, an auto dealer, and other retail outlets. The residential property, which abuts an 18-hole golf course west of The Wigwam resort, is expected to be called Litchfield Greens II and III and include single- and multi-family dwellings, as well as rental units.

A general business slowdown and $3 million in uncollectable debts is forcing one of Tucson's largest contractors to **lay off nearly all of its 250 employees** by the end of September as it prepares to shut its doors for the forseeable future. **Bruce Greer Construction Co.**, which has done nearly $250 million in business in 20 years of operation, will keep 20 workers on its payroll for about two years to finish an Interstate 10 improvement project. Southern American, a Utah-based bonding company, is guaranteeing the project will be completed and is taking over Greer's company as well as its Tucson office building

The **city of Glendale** has given the go-ahead to **Westcor Partners of Phoenix** to build a **1.5 million-square-foot mall** on 96 acres in northwest Phoenix near Arrowhead Ranch. Appropriately called the Arrowhead Mall, the development at 75th Avenue and Bell Road will cost in excess of $85 million and be anchored by several major retailers — Dillard's, Robinson's, Sears, J.C. Penney, Broadway, and Mervyn's. Work is expected to begin in October and be completed in spring of 1992.

TRADE — Phoenix-based Circle K Corp. is closing 201 convenience stores across the country, including eight in Arizona, all in the Phoenix area. Circle K, which filed Chapter 11 bankruptcy in May and reported losses of $773 million for fiscal year ending April 30, says 95 percent of employees at closed stores will be transferred to other locations.

The **Metropolitan Appliance, Radio and Television Association (MARTA)** will complete a **move of its headquarters** from Chicago to the Scottsdale Airpark Corporate Center by Nov. 1. A co-operative that purchases major appliances from manufacturers and then sells them to its member businesses, MARTA plans to hire between 15 and 20 workers, mostly from the local area.

Arby's Inc. will expand the operations of its **Western Region headquarters** in Phoenix when it moves Oct. 1 to new offices at the Anchor Center, 2232 E. Camelback Road. The new location, which will add about 5,000 square feet, will allow for support of franchise operations, in addition to the current 14-state regional base for company-owned stores. Arby's will employ about 20 people at the new Phoenix regional office when it's fully operational.

Retail giant **Wal-Mart** opened its **first two stores in the Valley** in early September — 800 W. Warner Road, Chandler, and 5845 W. Bell Road, Glendale — and expects to add four additional locations in the state by the end of the

(Continued on page 18)

(Continued from page 17)

year and at least two more in 1991. The Arkansas-based-chain, which currently has 17 stores in Arizona, will open new stores this year in Peoria, Page, northeast Phoenix, and Yuma, and in Mesa and Prescott in '91.

Big 4 Restaurants Inc. of Phoenix is opening two eateries in Phoenix and one in Scottsdale this fall. Opening in early September in the Phoenix Plaza, Central Avenue and Thomas Road, will be a delicatessen-style cafeteria, **Cafe 66**, and a high-end restaurant with buffet and à la carte lunch and dinner menus, **Arizona Terrace**. **Aldo Baldo**, an Italian restaurant, is set to open in mid-October at the Scottsdale Fashion Square, Camelback and Scottsdale roads.

Bromar Arizona, a Phoenix food-brokerage company, is moving and expanding its Valley operation. Bromar will employ about 100 people when its moves into its new 23,000-square-foot building in Southbank Business Park near Sky Harbor International Airport.

The grocery-store wars have taken their toll on several hundred full-time employees of the Phoenix-based **Smitty's** supermarket chain. Smitty's, which laid off 300 workers in December and January as part of a restructuring plan, has **cut in half the hours of 300 workers** and **eliminated 8 percent of its meat department employees**. Smitty's has 24 stores in the Valley and employs about 6,000 people.

A San Diego-based women's clothing chain, **Charlotte Russe**, plans to open **four stores in Valley** — all in shopping malls — within the next year. Charlotte Russe, which specializes in fashions for women 18 to 40, will open its first location at Scottsdale Fashion Square in October, then follow with a store in the Paradise Valley Mall in November, and then open two more stores next year, one each in Metrocenter and Fiesta Mall.

Following up on a tentative announcement in December, **Ace Hardware Corp.** plans to build a **regional warehouse** in **Prescott Valley** that will employ 125 people and generate more than $2 million in salaries, fringe benefits, and taxes. The $9 million facility, which will initially have about 400,000 square feet — although it could be expanded to twice that size — will service Ace stores in the Southwest. Construction was set to begin in September with a tentative opening scheduled for late in 1991.

RDS Acquisition Corp., which is seeking to **take over 146 Revco drug stores** in Arizona, New Mexico, Texas, and Colorado, says it will locate its headquarters in Glendale at Revco's current Arizona home office at 5107 N. 51st Ave. RDS, which was created to buy the Revco stores, is awaiting approval from a federal bankruptcy judge. Eight-three of Revco's stores in Arizona would be affected.

R.H. Macy & Co. plans to **triple the size** of its **I. Magnin store at the Biltmore Fashion Square** in Phoenix, 24th Street and Camelback Road. Retail space in I. Magnin, a high-end speciality department store, will increase from 30,000 to 90,000 square feet when construction of its new building is completed in fall 1992.

The closing in October of a **Sears, Roebuck and Co. store** at The Colonnade shopping center, 20th Street and Camelback Road, and subsequent move to a new location at the Paradise Valley Mall, Tatum Boulevard and Cactus Road, will enable the department store chain to **increase its retail space** and ultimately **hire additional workers**. Sears, which will have 90,000 square feet (up 35,000) at its new location, has offered jobs to its 165 employees at The Colonnade store and expects its total work force to grow to 225.

SERVICES — **Lee Myles Transmissions of Arizona** is kicking a statewide **expansion program** into first gear with plans to open 22 service centers in the next four years. Expected to create 100 jobs when completed in 1994, the expansion will begin in the Phoenix and Tucson metropolitan areas, then include other Arizona cities such as Flagstaff, Goodyear, and Yuma. Lee Myles, a national franchise network based in New Jersey, currently has eight stores in the Valley.

The **White Mountain Apache Tribe** is seeking a $2 million loan to keep open its **20-year-old ski resort** in eastern Arizona, which lost $8.5 million last year. The Apache Sunrise Ski Resort was closed for the summer for the first time, and to offset losses the tribe has made payroll reductions in its other businesses, affecting about 300 employees. The closure of the ski facility, which has had as many as 225,000 skiers in one season, would also have a serious ripple effect on businesses in Pinetop-Lakeside and Show Low.

Officials of **Santa Fe Railway** and the **city of Prescott** are inching closer to **agreement to sell a 28-mile line of track** from downtown Prescott to an area known as Paulden near U.S. Highway 89. The city says two companies have expressed an interest in operating a combination tourist/freight train between the two locations, which could also spur industrial development in Chino Valley — about halfway between Prescott and Paulden — and provide transpotation to the Prescott Airport.

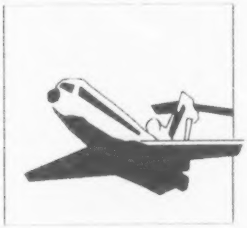
The **Muscular Dystrophy Association (MDA)**, which announced late last year its plans to move from New York City

(Continued on page 19)

(Continued from page 18)

to Tucson, has **closed a deal on 7 acres of property** in the northern part of the city. MDA is expected to employ about 150 people in a planned 65,000-square-foot facility and also will help the local tourist industry because of 5,000 rooms it needs each year for various conventions.

TRANSPORTATION, COMMUNICATIONS AND PUBLIC UTILITIES — Fiscal 1990 earnings for Phoenix-based **U-Haul International** fell by about one-half due to a decline in RV and general-equipment rentals, as well as sales of older equipment. Earnings for U-Haul, which employs about 2,000 people in Arizona, dropped from $36.2 million in fiscal 1989 to $18.5 million in fiscal '90, despite increased revenue of $22 million.



—

Pinnacle West Corp., parent company of Arizona Public Service Co. (APS), and **PacifCorp** in early September ended a power struggle over the state's largest utility and agreed to share power resources. Oregon-based PacifCorp., which had made four unsuccessful bids for Pinnacle West, was considering a hostile takeover before the agreement. In the process, APS announced two cost-cutting plans that will significantly reduce it current work force of 7,700.

—

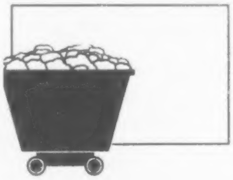
Evergreen Air Center plans to spend $20 million to **expand its aircraft-maintenance center** at Marana Air Park near Tucson. The center employs around 600 maintenance workers who service Boeing 747 cargo planes for parent-company Evergreen International Aviation and other cargo companies. Due to the expansion, Evergreen expects to add 500 additional employees by 1993.

FINANCE, INSURANCE AND REAL ESTATE — Officials in Arizona and Utah are wooing **Chase Manhattan Corp. of New York** for a planned **credit-card center** that will eventually employ 2,000 workers. Chase Manhattan, parent company of Chase Bank of Arizona, is looking at several sites around the Valley and Salt Lake City and expects to start operations sometime in 1992. Arizona officials are trying to set up a training program for potential employees as an incentive to lure the banking firm's credit-card operations.

—

Caliber Bank of Arizona, which resulted from the merger of Century Bank and First Business Bank, is locating its **corporate headquarters** in Phoenix City Square, 3800 N. Central Avenue. Caliber, which will also operate its main branch at that location, expects to employ 65 to 70 people at the corporate center.

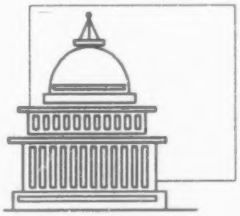
MINING — **Magma Copper Co.**, the second largest employer in southern Arizona (3,500 workers), is moving its **corporate headquarters** from San Manuel to Tucson by early November. Magma says it is making the move in order to provide better access to Tucson's airport and to allow mine operators "greater freedom to make day-to-day decisions without undue influence of corporate staff." About 50 employees are expected to be affected by the move.



—

The historic **Johnson Camp copper site** in Cochise County, which has been dormant since the mid-'80s, will **begin operation** in September. Tucson-based Arimetco Inc., which purchased the Johnson Camp copper property from Cyprus Mines in August 1989, has constructed a new solvent extraction-electrowinning plant at the mine, located about 15 miles east of Benson. A work force of 35 will be initially hired and is expected to produce 35,000 pounds of cathode copper a day.

GOVERNMENT — To accommodate skyrocketing enrollment, the University of Arizona has asked all of its departments to decrease budgets by 6 percent for the upcoming year in order to finance part-time teaching positions. The Tucson school is re-allocating $24 million for temporary instructors to offset a jump in enrollment from 35,600 last year to 37,000 this fall. Unfortunately, the effects from the budget shuffle will likely include hiring freezes and cuts of permanent personnel.



ARIZONA LMI NEWSLETTER
SITE CODE 733A
P.O. BOX 6123
PHOENIX, AZ 85005-6123
(602) 542-3871
Brent Fine, Editor
Linda Van Calcar, Word Processor

Arizona Labor Market Newsletter
LABOR MARKET INFORMATION PUBLICATIONS
Site Code 733A
P.O. Box 6123
Phoenix, Arizona 85005

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, $300

ADDRESS CORRECTION REQUESTED

POSTAGE & FEES PAID
EMPLOYMENT SECURITY MAIL
LAB 449
FIRST CLASS MAIL

USPS
STATISTICAL REFERENCE INDEX
CONGRESSIONAL INFORMATION
4520 EAST-WEST HIGHWAY SUITE 800
BETHESDA, MD 20815

If you do NOT desire to continue receiving this publication, please check here ☐ and return this cover to address above.

If your address has changed, please indicate change and return this cover to the address above.

This periodical is issued and printed by the Arizona Department of Economic Security as authorized by the Wagner-Peyser Act and is paid out of federal funds granted by the U.S. Department of Labor.

Reproduction of this publication for commercial use is prohibited by Section 39-121, Arizona Revised Statutes. Permission to reprint this publication, or parts of it, for nonprofit use may be granted upon written request, if credit will be given citing this publication and the Arizona Department of Economic Security.